

# Annual Report 2002



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## Introduction

1. This is the third annual report to the European Commission on the England Rural Development Programme (ERDP). It covers the period 1 January to 31 December 2002 and is submitted in accordance with Article 48(2) of Council Regulation 1257/1999 and Article 53 of Commission Regulation 445/2002 (as amended by Regulation 963/2003).
2. The report covers progress in implementing the Programme approved by European Commission Decision C (2000) 3003 on 11 October 2000, as modified in November 2001 by Commission Decision C (2001) 4760 and in January 2003 by Commission Decision C (2003) 91.
3. Table 1 below sets out the measures in Regulation 1257/1999 which are implemented through the ERDP. The Programme includes both pre-existing schemes introduced under earlier Regulations (e.g. under Regulation 2078/92) and four schemes specifically developed for the ERDP – the Rural Enterprise Scheme, the Vocational Training Scheme, Processing and Marketing Grant and the Energy Crops Scheme. In 2001 the Hill Farm Allowance was also introduced to replace the previous scheme for Less Favoured Area (LFA) support, the Hill Livestock Compensatory Allowance.

**Table 1**

<b>Measures</b> (with reference to the Regulation)	<b>Schemes in England</b>
Investment in agricultural holdings (Articles 4 -7)	Rural Enterprise Scheme Energy Crops Scheme (Miscanthus)
Training (Article 9)	Vocational Training Scheme
Less Favoured Areas (Articles 13-21)	Hill Farm Allowance (2001 – 2006)
Agri-environment (Articles 22-24)	Countryside Stewardship Scheme Environmentally Sensitive Areas Scheme Organic Farming Scheme
Processing and marketing of agricultural products (Articles 25 – 28)	Processing and Marketing Grant
Forestry	
<ul style="list-style-type: none"> <li>Afforestation of agricultural land (Article 31)</li> </ul>	Farm Woodland Premium Scheme Woodland Grant Scheme Energy Crops Scheme (Short Rotation Coppice (SRC))
<ul style="list-style-type: none"> <li>Other forestry measures (Article 30)</li> </ul>	Woodland Grant Scheme Energy Crops Scheme (SRC and producer groups)
<b>Article 33<sup>1</sup></b>	
<ul style="list-style-type: none"> <li>Setting-up of farm relief and farm management services (iii)</li> <li>Marketing of quality agricultural products (iv)</li> <li>Basic services for the rural economy and population (v)</li> <li>Renovation and development of villages (vi)</li> <li>Diversification of agricultural activities etc (vii)</li> <li>Agricultural water resources management (viii)</li> <li>Development and improvement of infrastructure etc (ix)</li> <li>Encouragement for tourist and craft activities (x)</li> <li>Protection of the environment in connection with agriculture (xi)</li> </ul>	Rural Enterprise Scheme

<sup>1</sup> Each of the indents of Article 33 is defined as a measure under the Regulation but they are implemented in England, in conjunction with diversification of farm activities under Article 4-7, under one scheme – the Rural Enterprise Scheme

## Section A: Changes to conditions, trends and policies

4. This section considers changes in the general situation affecting agriculture and the rural economy in the period since the ERDP was approved by the Commission, updating as appropriate the information contained in previous annual reports. To accord with the structure prescribed in Article 53, paragraph 1(a) of Regulation 445/2002, the section is divided into two parts:
  - i. Changes to conditions and trends*
    - Agriculture
    - Leisure and tourism
    - Other sectors
    - Socio-economic changes
    - Rural environment
  - ii. Main policy developments*
    - Policy Commission on the future of farming and food
    - Strategy for Sustainable Farming and Food
    - Organic Action Plan
    - Sustaining England's woodlands
    - Diffuse water pollution
    - Nitrates Directive
    - Public Service Agreement targets
    - Rural Affairs Forum
    - Review of rural delivery arrangements
5. Further information about changes to conditions, trends and policies as they affect each of the English Government Office regions is given in Annex 2.

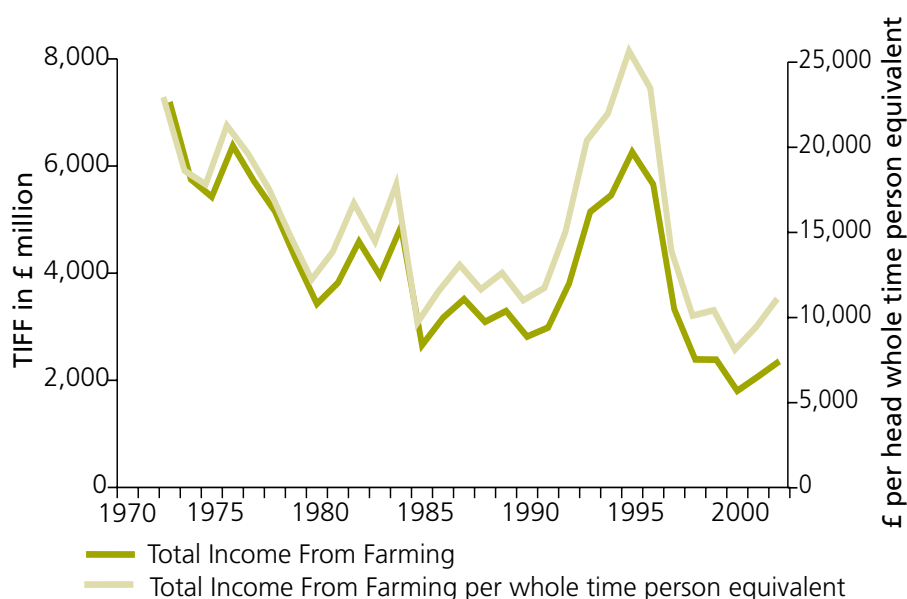
### Changes to conditions and trends

#### Agriculture

6. The outbreak of foot and mouth disease (FMD) in 2001 was a deeply scarring experience both for the agricultural sector and the broader rural community. Outside the agricultural sector, hotels and other businesses catering mainly for tourists were particularly badly affected, whilst banks, shops and other parts of the rural service sector also suffered the effects of the outbreak. The estimated effect on overall UK GDP in 2001 – at less than 0.2% – is relatively modest in relation to normal fluctuations. However, this national figure conceals the extent of the impact in some of the hardest hit rural areas and sectors of the economy. Annex 2 provides an assessment, at regional level, of some of the actions taken to help rural communities recover from the effects of the foot and mouth disease outbreak.

7. All counties of England were declared officially free of foot and mouth disease on 14 January 2002; and on 22 January 2002, the UK regained its status as an FMD-free country for the purposes of international trade in animals and animal products.
8. In August 2001, the Government announced three independent enquiries to report to the Prime Minister and Secretary of State for Environment, Food and Rural Affairs. These covered:
  - the lessons to be learned and the way any future outbreaks should be handled;
  - a scientific review by the Royal Society of questions relating to transmission, prevention and control of epidemic outbreaks of infectious disease in livestock;
  - a policy commission, covering England only, on the future of farming and food.
9. The Royal Society inquiry, chaired by Professor Sir Brian Follett, published its report on 16 July 2002. Dr Iain Anderson conducted the enquiry into the Government's handling of the outbreak and published his report on 22 July 2002. From the ERDP point of view, the most significant of these reviews was the Policy Commission on the Future of Farming and Food, chaired by Sir Donald Curry. Paragraphs 34 to 37 below give further information about the recommendations of the Curry Report and the Government's response to it.
10. Total income from Farming<sup>2</sup> (TIFF) in 2002 is estimated to have been £2.4 billion, which is 15% (14% in real terms) higher than its 2001 level. Incomes rose in both 2001 and 2002, but the long term trend is downwards, although incomes rose and fell dramatically in the nineties due to changes in exchange rates, world commodity prices and the impact of BSE.

**Chart 1: UK income trends in real terms at 2002 prices**



Source: Agriculture in the UK, 2002

<sup>2</sup> TIFF is income generated by production within the agricultural industry, including subsidies. It represents business profits plus remuneration for work done by owners and other unpaid workers.

11. The overall increase in income for 2002 masks variations across the sectors. In terms of value of output, cereals and livestock both rose by more than 8%. For cereals, an increase in wheat (22%) more than offset a decrease in barley (14%) as wheat production returned to more normal levels following the impact of the wet weather on the 2001 harvest.
12. The value of poultry output decreased by 8%. But for cattle and sheep the value of output increased by 14% and 34% respectively as production recovered after foot and mouth disease.
13. There were notable decreases in the value of output for potatoes (27%) and milk (12%). Milk fell by £333 million as prices received by farmers dropped by 11%.
14. The agricultural labour force in England fell by 4% in 2002, to 371,600 labour units. Although this continued the decline seen in previous years, a notable difference is that the reduction was spread fairly evenly across both farmers and farm workers whereas, in previous years, the rate of decline was far more pronounced amongst farm workers.

**Table 2: Agricultural labour in England**

England	Farmers	Farm workers
2001	233,600	153,200
2002	225,000	146,600

Source: Defra June Agricultural and Horticultural Census

15. A more detailed breakdown of the composition of the workforce, for the UK as a whole<sup>3</sup>, shows that the whole-time workforce remains predominantly male and, for workers, the proportion of part-time and seasonal staff to the full-time workforce has remained much the same since the early 1990s. Notably, however, there has been an increase in the proportion of *farmers* who are defined as part-time from 50% in 1999 to 54% in 2002, with a significant rise in the overall number of part-timers.
16. In March 2003 the University of Exeter published the results of a major study of farm diversification<sup>4</sup>. One of the main aims of the study was to update earlier research carried out by the university between 1989 and 1991. The report showed that in 2002 over 57% of farm businesses included at least one diversified activity compared with 42% in 1989. The proportion of diversified farms has risen across all groups, whether defined by size, type or location; but larger farms were more likely, and farms in Less Favoured Areas less likely, to have diversified than others.
17. A breakdown by workforce shows that full-time farms are more likely to be diversified (65%) than part-time ones<sup>5</sup> (48%). Nevertheless, one in three diversified activities are on part-time farms.

3 Agriculture in the UK 2002, table 3.5 (<http://www.defra.gov.uk/esg/publications/auk/default.asp>)

4 Farm Diversification Activities: Benchmarking Study – Centre for Rural Research, University of Exeter (<http://www.defra.gov.uk/esg/reports/farmdiv>).

5 For the purposes of the study, diversification is defined as “the diversion of resources previously committed to farming to other income-earning activity”.

18. The availability of grant aid, in particular through the Rural Enterprise Scheme, has not so far been a major factor in the establishment of farm diversification. Little more than 5% of current diversifications had received any grant assistance, though it is important to note that where such assistance is available it supports farming businesses which otherwise would not have been able to undertake the diversification activity. More important factors seem to be the desire to make better use of under-utilised farm resources and the potential for some diversification activities e.g. tourism and leisure facilities, to serve as useful adjuncts to the farming business.
19. The importance of diversification is underlined by the finding that more than half of diversified farmers regard it as central to business viability. On about one in five farms, it is also a significant source of family employment. The study suggests that diversified activities tend to fall to the younger, or female, members of the farming family. Diversification may be seen as a way of improving the living standards of the farm family where there are few realistic alternatives for employment.

### **Leisure and tourism**

20. The Great Britain Day Visit Survey is undertaken every four years. The initial results of the 2002 survey<sup>6</sup> provide new data on leisure trends. Walking continues to be the most popular activity for day visitors (26%), but this represents a decrease from 35% in 1998. Eating or drinking out has become more popular and accounts for 17% of visits (compared with 14% in 1998). Average spending on rural day trips increased from £6.70 in 1998 to £11.73 in 2002. Although over half the trips (53%) involved no spending (fewer than the 61% recorded in 1998) the total estimated value of day trips to the countryside was £9 billion a year<sup>7</sup>.
21. The annual UK Tourism survey<sup>8</sup> records staying trips of one night or more. In 2001, 30 million staying visits were made to the countryside and its villages. This was over 3 million less than in 2000, probably as a result of foot and mouth disease. The countryside accounts for over a fifth (22%) of all tourism trips, and 61% if trips to the seaside and small towns – including market towns – are included. The total value of rural tourism trips in England by UK residents in 2001 is estimated to be just over £4 billion, similar to 2000.
22. Almost half (47%) of countryside tourists stay with friends and relatives and 18% use hotels, motels and guest houses. Walking is the most popular tourist activity, over half (54%) take short walks and a quarter take long walks. Visiting heritage sites (24%) and nature study, bird and wildlife watching (19%) are also popular.

### **Other sectors**

23. The impact of foot and mouth disease on parts of the rural economies beyond farming and tourism has encouraged more decision makers – from national to local level – to explore the nature and needs of their rural economies. The Countryside Agency has initiated several studies into individual drivers such as self

6 English Tourism Council: data summarized in the Countryside Agency's State of the Countryside Report 2003 (<http://www.countryside.gov.uk/index.htm>)

7 (<http://www.countryside.gov.uk/index.htm>)

8 <http://www.staruk.org.uk>



employment and the role of women in rural economies and have published the most comprehensive perspective, *Rural Economies: Stepping stones to healthier futures*. In a joint exercise, Defra, the Countryside Agency and the Economic and Social Research Council commissioned studies into the competitiveness of rural businesses, the skills and labour markets of rural areas and the economic drivers of rural areas.

24. Several regions and counties have similarly explored and developed an understanding of their rural economies as a basis for rural economic policies. This can be seen for example in the ONE (One North East) Rural Action Plan, in AWM (Advantage West Midlands) Rural Regeneration Zones, and in South Holland District Council and Cumbria County Council's Rural Action Zones.
25. Some non-land components of the rural economy have also benefited from specific funding streams, such as the Small Business Service's Development Fund for Rural Renewal, several Regional Development Agency Rural Recovery Schemes and several local authority programmes such as East Hertfordshire District Council's Action for Growth for Rural Economy (AGRE).

### **Socio-economic changes**

26. The State of the Countryside report (2003)<sup>9</sup> indicates a number of significant socio-economic changes in the rural areas of England. The 2001 Census shows that the rural population continues to grow, although the rate of increase is slowing. It also shows that proportionally fewer younger people and more middle-aged and older people live in rural districts than in urban ones.
27. An omnibus survey by BMRB International<sup>10</sup>, commissioned by the Countryside Agency in 2003, shows that there is a strong commitment amongst the general public to "keep the countryside the way it is now". Community "vibrancy" has been assessed in the report using measures of community space (e.g. village halls, public transport, and community services such as GP surgeries). This indicator shows that smaller settlements tend to lack community space. However, rural areas tend to score higher on a composite "neighbourliness" indicator (assessed through the General Household Survey) than urban areas.
28. People living in rural areas tend to enjoy better health than their urban counterparts. A notable exception to this is the rate of suicides amongst young people aged between 16 and 24, which tends to be higher in rural than urban areas. The latest British Crime Survey (2001/2) shows a general downward trend in crime in urban and rural areas, although farm crime remained at the same level in 2001 as it was in 2000. Whereas educational attainment tends to be higher in rural areas, there is a markedly lower level of NVQ attainment in rural areas than urban areas.
29. There has been little change over recent years in the availability of rural services. The main exception is that post offices are still in decline, although the rate of decline has slowed and the availability of cash-point machines has continued to increase. Average house prices continue to grow in rural areas and the price of the average house is higher in rural areas. Indices of income can be measured against

9 (<http://www.countryside.gov.uk/index.htm>)

10 BMRB International (2003), Countryside Agency Adults Survey

mortgage costs to show that there is declining rural affordability in all regions. The annual number of new affordable home completions (funded through the Housing Corporation) in small settlements has continued to decline.

30. Finally, although household incomes tend to be higher in rural than urban areas, average weekly earnings tend to be lower, and low income households in rural areas tend to remain on a low income over longer periods of time than similar households in urban areas. Remote rural districts have the highest proportion of working age adults receiving in-work tax credits, indicating higher levels of wage-earners with low incomes.

## Rural Environment

31. There has been a steady increase in the number of environmentally-designated sites in England since the ERDP was published in 2000. An additional 13 Sites of Special Scientific Interest (SSSIs) were designated in 2002, whilst six more sites (covering some 3,000 hectares) were designated as National Nature Reserves in the same year. Table 3 below shows the overall position compared to 2000 and 2001. Table 4 breaks down the figures for Special Areas of Conservation and Special Protection Areas by habitat type.

**Table 3: Number and extent of designated sites at end of 2002**

*Where figures differ from those in the ERDP, the ERDP figures are shown in brackets for ERDP data.*

Designation	Number	Area (000ha)	Percent land area
Site of Special Scientific Interest	4110 (4066)	1042 <sup>ac</sup> (1046)	8.0
Candidate Special Area of Conservation	219 (148)	869 (656)	5.0 <sup>b</sup>
Special Protection Area	88 (76)	682 (510)	3.9
Ramsar Site	79 (72)	377 (353)	2.7
National Nature Reserve	214 (203)	85 (81)	0.7

Table shows situation as recorded at end 2002

Note: designations overlap so the areas cannot be summed

NB: Due to the small changes in area for SSSIs the percent land area figures are unchanged

a Land area outside England for cross-border sites now excluded from data, hence the reduced area.

b percent land area is unchanged as area designated figure includes marine cSACs

c land area unchanged in 000s ha due to small increase in designated area

**Table 4: Area of Natura 2000 sites in England: breakdown by Broad Habitat type<sup>1</sup>**

Habitat Type	Special areas of Conservation <sup>2</sup> (SACs) (ha)				Special Protection Areas <sup>2</sup> (SPAs) (ha)			
	England	England & Scotland <sup>3</sup>	England & Wales <sup>3</sup>	Total (ha)	England	England & Scotland <sup>3</sup>	England & Wales <sup>3</sup>	Total (ha)
Inland water bodies	10,285	2,494	1,191	13,970	10,050	436	0	10,486
Fen type habitats	127,604	52	747	128,403	116,139	0	0	116,139
Heath and Scrub	165,971	0	115	166,086	144,827	0	0	114,827
Semi-natural grassland	128,911	0	312	129,223	72,216	0	0	72,216
Improved grassland	2,968	327	258	3,552	8,290	0	247	8,537
Other arable land	52	0	0	52	5,421	0	0	5,421
Woodland	40,459	26	1,226	41,710	25,363	0	0	25,363
<b>Total area (ha)</b>	<b>476,250</b>	<b>2,899</b>	<b>3,849</b>	<b>482,996</b>	<b>382,306</b>	<b>436</b>	<b>247</b>	<b>357,989</b>

1 does not include marine or coastal areas

2 Table shows SACs and SPAs as recorded at end 2002

3 Cross border sites

32. The National Inventory of Woodland and Trees in England<sup>11</sup> was published in November 2001, with regional reports published in 2002. The Forestry Commission has been carrying out national woodland surveys since 1924, with the previous one in 1980. The overall area of woodland in England over 2 hectares has increased from 7.3% to 8.3% of the land area since 1980, but still well below the EU average of 36%. Some of the main findings of the Inventory are:

- The total area of woodland of 0.1 hectares and over in England is 1,097,000 hectares, representing 8.4% of the land area.
- 54 per cent of all woodland is broadleaved. Conifer woodland represents 26%, mixed woodland 12% and open space within woodland 6%.
- The main broadleaved species is oak covering 159,000 hectares. 25% of all broadleaved trees are oak.
- A total of 223,000 hectares or 22% of woodland over 2 hectares is owned or leased to the Forestry Commission.
- The area of broadleaves increased by 36% between 1980 and 1998, while the area of conifers fell by 7% over the same period.
- There are 55,685 woods over 2 hectares with a mean area of 18.5 hectares. In addition there are 166,776 woods of between 0.1 hectares and 2 hectares.

33. Data from the Breeding Bird Survey (BBS)<sup>12</sup> shows population trends for a range of common and widespread birds in the UK. Access restrictions imposed by the outbreak of foot and mouth disease had a considerable effect on the number of sites that could be surveyed in 2001, with a total of 581 squares being completed compared to 2,252 squares in 2000 (26%). Due to the much reduced level of coverage, data from 2001 could not be properly collated. The Wild Bird

11 The full report is available at [www.forestry.gov.uk/england](http://www.forestry.gov.uk/england)

12 <http://www.bto.org/survey/bbs.htm>

Population Headline Indicator, from where the data are derived to calculate the long term trend in the farmland bird index, will therefore next be updated at the end of 2003.

## Main policy developments

### Policy Commission on the future of farming and food

34. In January 2002, Sir Donald Curry published the recommendations of the Policy Commission which was set up, under his chairmanship, in the wake of the foot and mouth disease outbreak. A number of the recommendations touched on the England Rural Development Programme. In particular, the report recommended the introduction of an entry level ("broad and shallow") agri-environment scheme, to be funded from an increase in the rate of modulation applied to Pillar 1 payments. It also recommended the development of a strategy for organic food production addressing all parts of the food chain.
35. During the course of 2002, the Government brought together key interests to start delivering on the Policy Commission recommendations. The Prime Minister and the Secretary of State for Environment, Food and Rural Affairs met leaders of the farming, food, rural environmental and consumer bodies in March 2002 to drive forward the ideas identified in the Commission's report. This was followed up by a series of working sessions across the country. The Government's response to Sir Donald's report was published on 12 December 2002 together with the document "Strategy for Sustainable Farming and Food".

### Strategy for Sustainable Farming and Food

36. The strategy sets out how industry, government and consumers can work together to secure a profitable and internationally competitive future for the UK industry, whilst contributing to a better environment, improving nutrition and public health, and leading to prosperous communities.
37. Subject to clearance under the usual EU procedures, the Strategy will provide for:
  - *A new entry-level agri-environment scheme:* development of a simple scheme, suitable for all farmers which will pay them to farm in a more sustainable way. Subject to successful piloting, this would be rolled out nationally in 2005.
  - *Continued expansion of premium rural and environmental schemes like Countryside Stewardship:* further work to improve the targeting of these schemes and make them simpler to applicants.
  - *A new 'whole farm' approach to management and regulation:* helping farmers plan their business as a whole to meet commercial and regulatory needs. The government also plans to develop an audit-based approach to identify a farm's strengths and weaknesses as a basis for cutting red tape and the number of inspections required.
  - *The new Agricultural Development Scheme:* to improve competitiveness and marketing, including the priority areas of co-operation, farm assurance and spreading best practice.

- *New funding to assist small regional food producers:* extra money channelled through Food from Britain will enable it to work with Regional Development Agencies and the Regional Food Groups to expand this sector.
- *More money for skills and training:* training and advice services are being reviewed to help farmers develop and to exploit new opportunities. The review is due to report in July 2003.
- *A network of demonstration farms:* beginning in 2003 a pilot network of farms is being established to share best practice and experiences.
- *Improving animal health and combating diseases:* a new animal health and welfare strategy, strengthened emergency preparations and efforts to combat illegal meat imports.

## Organic Action Plan

38. In July 2002, the Government published a 21 point Action Plan to help the home-grown organic food and farming sector develop sustainably. The Action Plan was drawn up as a result of a recommendation in the Policy Commission report. It looks at the organic food chain as a whole and seeks to address the key issues that will assist the development of the sector.
39. Among the action points in the Plan are:
- A clear statement of objectives, including an objective for British organic producers to achieve similar market share levels to conventional producers and of the rationale for organic farming, including a description of the benefits it offers;
  - A commitment from multiple retailers to work with the Organic Action Plan Group to identify opportunities for increasing British producers' share of the organic market, and a statement that individual retailers will seek to support producers in making use of these opportunities;
  - An amendment to the Organic Farming Scheme to offer interim ongoing payments to organic farmers who have completed conversion, and to increase the conversion aid for top fruit production; coupled with an undertaking to develop new specific support measures for organic farming within the new agri-environment scheme structure being developed for introduction in 2005.

## Sustaining England's Woodlands

40. In October 2002 the Forestry Commission published the outcomes of a review into the way it supports the sustainable management of woodlands in England. The review was conducted by an independent steering group and it involved extensive stakeholder consultation. The Forestry Commission's response to the steering group's report concluded that the time was right for a new approach and a new relationship between the Forestry Commission and woodland owners and managers in England.

41. The key areas for action identified in the response were:
- Improving the evidence base
  - Enhancing engagement with owners and managers
  - Strengthening advocacy for woodlands and sustainable forest management
  - Developing new and stronger partnerships
  - Increasing income from woodlands
  - Using Forestry Commission resources more effectively.
42. The Forestry Commission in England is in the process of implementing the actions identified in the report.<sup>13</sup>

### Diffuse water pollution

43. The UK Government recognises that more needs to be done to reduce or minimise diffuse pollution of watercourses in England and Wales. The Water Framework Directive will in the future set both chemical and ecological benchmarks which will require further action, once the Directive begins to take effect from 2008 onwards. The Policy Commission report on Sustainable Food and Farming identified agriculture as the “no 1 polluter of England’s rivers and streams”.
44. A Defra cross-cutting review is looking at a range of options to tackle diffuse pollution from agriculture, taking advantage of the stronger links between agricultural and environmental policy interests in the new Department.
45. A discussion document on diffuse water pollution from agriculture was launched on 27 June 2002 and is available on the Defra website<sup>14</sup>. Comments were invited from stakeholders and on the initial thinking set out in the discussion document, which will form the basis of consultation on specific proposals, probably later this year. A process of informal stakeholder engagement is continuing.

### Nitrates Directive

46. In October 2002, designation of the final field boundaries for the new Nitrate Vulnerable Zones was completed. Farmers whose land falls within a Nitrate Vulnerable Zone must, from December 2002, comply with a list of measures to control nitrate loss from fertilisers and manures. The Farm Waste Grant Scheme was set up to help farmers with land in designated Nitrate Vulnerable Zones who need to invest in new or improved farm waste facilities.

### Public Service Agreement targets

47. The UK Government’s latest Spending Review, published in July 2002, established for the first time a Public Service Agreement (PSA) target relating specifically to rural economic performance and service access. The target is to improve the productivity of the lowest 25% performing rural districts and to improve accessibility of services to rural people. A number of services have been identified

<sup>13</sup> The full report is available at [www.forestry.gov.uk/england](http://www.forestry.gov.uk/england).

<sup>14</sup> <http://defra.gov.uk/environment/water/dwpa/index.htm>

to focus on. They are health care, post-16 education and training, transport, cash and information. The targets run from 2003 to 2006. Spending Review 2004 will develop the rural policy and targets further, and will cover the 2005 to 2008 period.

## Rural Affairs Forum

48. The first meeting of the Rural Affairs Forum took place on 9 January 2002. The creation of the Forum implemented the Government's commitment in the Rural White Paper (*Our countryside: the future. A Fair deal for rural England (November 2000)*) to establish a national sounding board to provide Ministers with "regular and direct contact with the main rural groups so that they know what is going on and what countryside people think".
49. Core membership of the Forum consists of some 35 people, representing a good cross-section of rural organisations, people, interests and perspectives. Meetings are chaired by the Minister of State for Rural Affairs. The Forum meets on a quarterly basis and last year held its first annual conference on urban/rural interdependence in November 2002.
50. The Rural Affairs Forum allows Government to take views and address issues across the full range of rural activities, including those such as the Strategy for Sustainable Farming and Food which are directly relevant to the ERDP. It also receives reports from a number of sub-groups and from eight regional forums established for the purpose of informing and monitoring the regional and local delivery of policy in rural areas.

## Review of Rural Delivery Arrangements

51. On 8 November 2002 the Government announced the establishment of a review of rural delivery arrangements, to be led by Lord Haskins.
52. The purpose of the review is to look at rural delivery arrangements (including those relating to the ERDP) at national, regional and local level, considering the activities of a number of other rural delivery agencies as well as Defra. The review, which is due to submit a final report to Ministers in summer 2003, will make recommendations on:
  - simplifying or rationalising existing delivery mechanisms and establishing clear roles and responsibilities and effective coordination
  - achieving efficiency savings and maximising value for money
  - providing better, more streamlined services with a more unified, transparent and convenient interface with end customers
  - identifying arrangements that can help to deliver Defra's rural priorities and Public Services Agreement target cost-effectively.

### Introduction

53. This section reports on:

- uptake of the measures implemented in the England Rural Development Programme;
- progress against the targets set out in Section 7 and Annex VII of the ERDP;
- progress against the European Commission's common monitoring indicators;
- modifications that were made to the Programme in 2002.

### Scheme uptake and approvals in 2002

#### Rural economy schemes

#### Rural Enterprise Scheme (RES), Processing and Marketing Grant (PMG) and Vocational Training Scheme (VTS)

54. Applications under these three schemes are in the main dealt with at regional level and considered by Regional Appraisal Panels (RAPs) following a detailed technical assessment in accordance with the approach described in Section 9 of the ERDP. National and cross-regional applications are dealt with by a nominated region and considered by an Inter-Regional Forum. Table 5 shows the number of applications received and decisions made up to the end of December 2002.

	RES	PMG	VTS
Number of eligible applications received	1328	125	254
Applications approved:			
Number	596	81	168
Total grant (£)	31,227,924	18,398,615	6,134,402
Average grant (£)	52,695	227,143	36,514
Applications rejected:			
Number	440	29	43
Total grant (£)	52,188,475	9,938,278	2,593,495
Average grant (£)	118,610	342,699	60,314
Total applications considered by RAPs	1036	110	211
Approvals as % of RAP decisions	58	74	80
Applications being processed/awaiting additional information	292	15	43

Note (1): Total grant includes both EU and UK Exchequer contributions.

55. Charts 2, 4 and 5 below track quarterly activity and approval activity for each of the rural economy schemes from April 2001 to the end of December 2002. It is clear from these charts that over the course of 2002 significantly more projects have been approved than rejected, suggesting that the quality of applications is

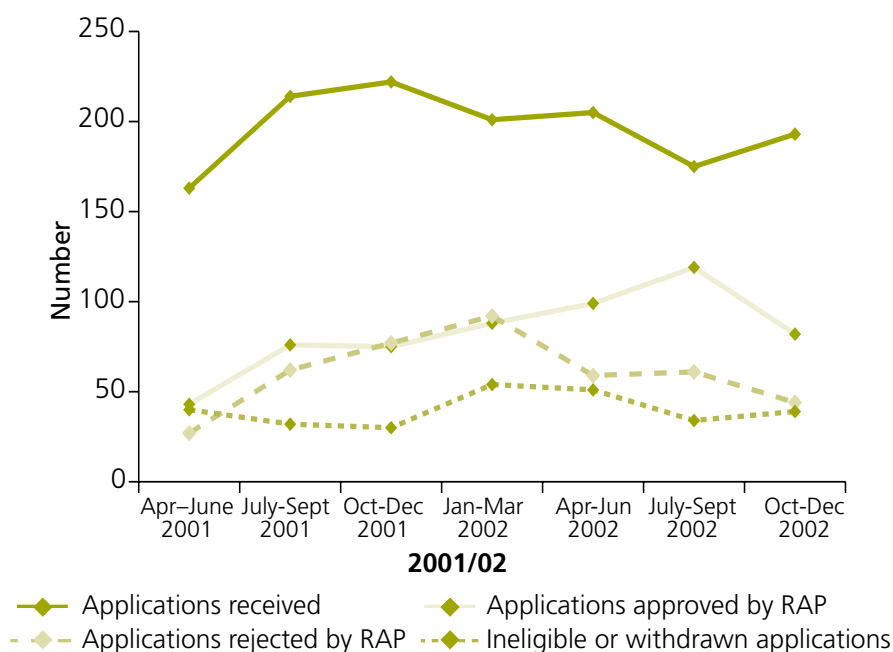


improving. Each of the schemes received fewer applications in 2002 than in the first year of their operation, but both RES and the Processing and Marketing Grant approved a higher number of projects (to a higher total value) than in 2001.

### Rural Enterprise Scheme

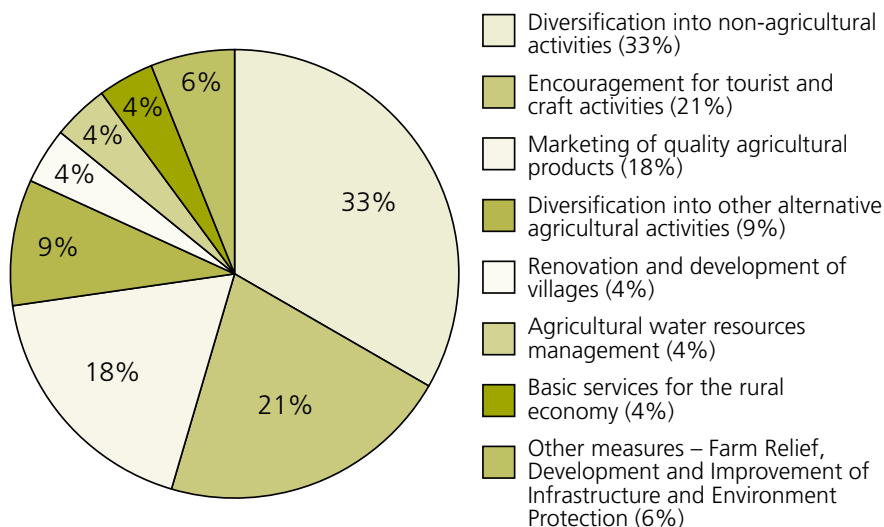
56. This scheme implements nine of the measures under Article 33 of Regulation 1257/1999 and the provision for supporting diversification into alternative agricultural activities under Article 4 of the Regulation.
57. In calendar year 2002, 596 eligible applications were received, 136 less than in the previous year. However, the number of awards made by RAPs and Inter-regional Forums was 388, 180 more than in 2001. Trends in applications and decisions are shown in Chart 2 below.

**Chart 2: Rural Enterprise Scheme: Applications and Approvals per quarter in 2001/02**



58. There is considerable variation in uptake between the 10 RES measures. Chart 3 below shows the cumulative breakdown of approved projects by value for each measure. The most popular RES measures are those that support diversification (particularly into non-agricultural activities), tourism and craft activities, and marketing. This largely reflects the national priorities identified in the Programme, but efforts are also being made to stimulate interest and uptake in the other, less frequently utilised measures, particularly those available to rural community projects.

**Chart 3: Rural Enterprise Scheme: Cumulative breakdown of approved projects by value for each measure**

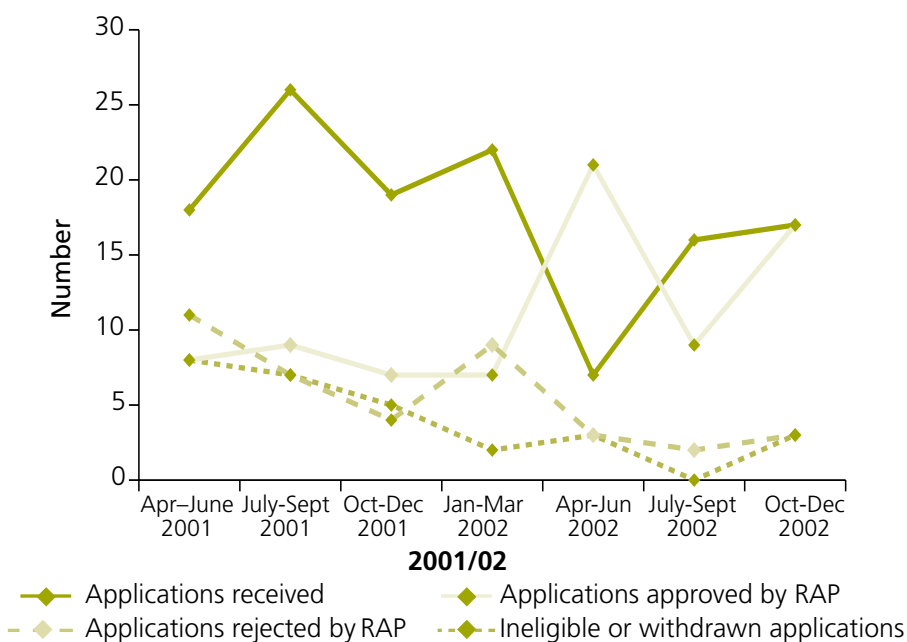


### Processing and Marketing Grant

59. In the calendar year 2002, 44 eligible applications were received under this scheme, 37 less than in 2001. In total 54 projects were approved (compared with 27 in the previous year), representing a total grant commitment in 2002 of about £12.5 million. A fairly wide range of sectors were represented though, as in 2001, the majority of the grants were centred on the horticulture (both root and salad crops), and meat (red meat, pigmeat and poultrymeat) sectors. The dairy sector was also a significant beneficiary.

60. Trends in applications and decisions are shown in Chart 4 below.

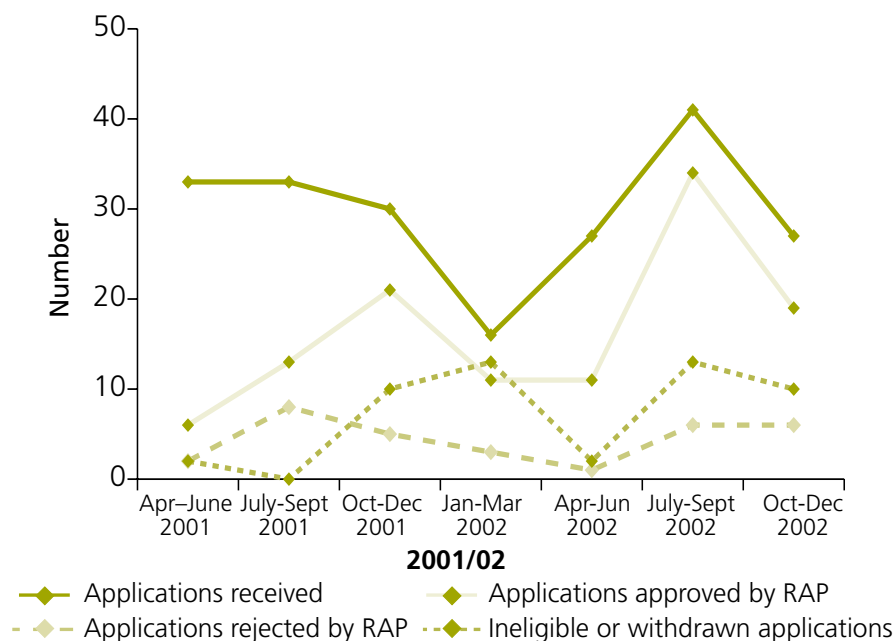
**Chart 4: Processing and Marketing Grant: Applications and Approvals per quarter in 2001/02**



## Vocational Training Scheme

61. In calendar year 2002, 71 eligible applications were received, compared with 183 in the previous year. The number of awards made by RAPs and Inter-regional Forums was 75, 18 fewer than in 2001. Trends in applications and decisions are shown in Chart 5 below.

**Chart 5: Vocational Training Scheme: Applications and Approvals per quarter in 2001/02**



62. The level of uptake of the Vocational Training Scheme has been lower than expected. As a result, a review of the scheme's rules was undertaken in 2002 with the aim, among other things, of encouraging more applications from individual trainees rather than training providers. The review recognised that individual trainees were put at a disadvantage by the complexity of the scheme compared with larger organisations making high value applications, and recommended a number of changes, including:

- the introduction of an online, interactive Training Needs Assessment (TNA) which allows individuals to consider the future development of their business or workplace, before assessing the training they need to deliver that change;
- an end to the minimum limit on the number of training days per application, allowing people to apply for funds for shorter courses;
- a more efficient appraisal process that will allow individual trainees to receive a decision faster than previously.

63. These changes were piloted over a three month period from January to March 2003 with a view to introducing them on a permanent basis.

64. The scheme was also changed in 2002 to make it easier to support project development activities which are intended to lead to better researched and higher value training projects. Previously, project development costs were limited to 10%

of overall project value, but in future it will be possible to support project development work as an eligible project in its own right, provided that a commitment is made to deliver the training in a subsequent VTS application.

65. The future purpose of the VTS will be considered as part of the Learning, Skills and Knowledge Programme introduced under the Strategy for Sustainable Farming and Food (see paragraphs 36 and 37). This will assess the role of VTS within the context of other funding streams and, where appropriate, make recommendations to deliver its objectives more effectively.

## Agri-environment schemes

### **Countryside Stewardship (CSS)**

66. 3,176 new applications and 753 applications to renew expired agreements were received in 2002, covering an estimated 156,000 hectares; an increase of 6% on 2001.

### **Environmentally Sensitive Areas (ESA)**

67. 734 applications (including upgrades), covering 29,247 hectares, were received in 2002. In addition, 1,909 applications to renew agreements in 2002 were received, representing a renewal rate of 93%.
68. The purpose of CSS and ESA is to protect and enhance wildlife, landscape and historic features in the twenty two designated areas in England and in other ERDP regionally targeted areas. A range of land types is covered, e.g. coastal marsh, upland, lowland heath, downland and river valleys, each contributing to national and local biodiversity action plans by supporting a diverse range of species. The historic element of the schemes includes protection or renovation of archaeological sites and traditional farm buildings.

### **Organic Farming Scheme (OFS)**

69. 263 agreements covering 19,664 hectares were put in place during 2002 against targets of 650 new beneficiaries and 45,000 hectares. Applications under this scheme have been disappointingly low over the last year. In part this is a consequence of the foot and mouth disease outbreak in 2001. But it is also clear that, although the organic market generally remains buoyant, there is a lack of confidence amongst UK producers that the very significant changes to a farmer's business and management practice which organic conversion requires will result in a long-term gain to the farmer. There is a risk too that some land which is currently organic will revert to conventional management – perhaps up to 21% of such land on the evidence of a recent evaluation of the OFS. As a result, a revised version of the Scheme is being launched in June 2003. The revised Scheme will extend support for organic farmers from 5 to 10 years, subject to the observation of certain environmental conditions. It is expected that the prospect of longer term aid will help to maintain the existing organic area and improve the confidence of farmers who are considering the long term benefits of converting. The revised scheme will also increase conversion aid for top fruit production to help English farmers and growers respond to demand for organically produced fruit.

## Woodland and Energy Crops schemes

### Woodland Grant Scheme

70. The Woodland Grant Scheme provides incentives for people to create new woodlands and sustainably manage existing ones. Between 1 January 2002 and the end of December 2002, 2,291 approvals covering 5,074 hectares were made for woodland creation. In the same period, 1,153 management agreements covering 28,330 hectares were approved under the ERDP.

### Farm Woodland Premium Scheme

71. The Farm Woodland Premium Scheme provides annual payments for up to 15 years to compensate farmers for income forgone following the conversion of agricultural land to woodland.
72. Some 935 approvals were issued between January and the end of December 2002, covering 4,732 hectares. This is 4% higher (6% higher in terms of area) than approvals issued during 2001.

### Energy Crops Scheme

73. Energy crops contribute to the UK's renewable energy and climate change targets, support departmental policies on sustainable development and provide support for rural areas. The Energy Crops Scheme supports the establishment of short rotation coppice (SRC) under forestry measures, and of miscanthus under the investment in agricultural holdings measure. There is also support for the setting-up of producer groups of SRC growers under forestry measures.
74. In 2002, 211 hectares of energy crops were established under 12 agreements with a total value of £208,000. Of this, 8 agreements were for SRC. In all, 160 hectares of SRC was planted to a value of £160,000. The other four agreements were for miscanthus. These covered 51 hectares with a total value of £47,000.
75. A second SRC producer group application was received towards the end of 2002. There were no producer group claims in 2002.
76. On April 1 2002 the Renewables Obligation came into force, requiring electricity suppliers to source increasing percentages of electricity from renewable sources. This has implications for energy crops, which are a feedstock for biomass renewable energy. In order to stimulate the development of energy crop markets, the Government made available £70 million of capital grants, £3.5 million of which is available to set up producer groups for miscanthus growers and to provide specialist equipment for forestry businesses to diversify into biomass supply. This bio-energy infrastructure scheme, which will help to develop supply chains, should be open to bids during 2003.
77. In 2002 CAP reform proposals introduced a degree of uncertainty, which undermined farmer confidence. This, together with the lack of outcome from the bio-energy capital grant bids during the year, has contributed to a continuing low uptake of the Energy Crops Scheme. However, it is expected that both of these

issues will be resolved in 2003. 2003 will also see a consultation on the rules for co-firing energy crops and biomass in coal-fired power stations, which should lead to development of this market.

### **Hill Farm Allowance (HFA)**

78. In 2001 the area based Hill Farm Allowance (HFA) was introduced as part of the ERDP, replacing the Hill Livestock Compensatory Allowance (HLCA) (a headage based scheme). Whereas the HLCA provided an encouragement to heavy stocking, HFA removes that incentive with payments being area based and conditional on compliance with the code of Good Farming Practice. The condition that requires no overstocking or unsuitable supplementary feeding has been retained. The final report on the economic impact of the change from HLCAs to HFAs was published in March 2002. The report shows that the change resulted in both losers and gainers within different farm sizes and between the English regions. The effects of the change from HLCA to HFA have however been mitigated by a transitional safety net mechanism. The report is available on the Defra website<sup>15</sup>.
79. 10,064 claims totalling £39 million were paid from the Spring of 2002. These covered an area of 1.2 million hectares.
80. The total number of claims for 2002 amounted to 11,323, down from a figure of 13,490 in 2001. The area on which payments were made also decreased, to 50,080 hectares. The reason for the drop in claims is not entirely clear, but it is true to say that this was probably in part due to the effects of foot and mouth disease, which affected the Less Favoured Areas to a far greater extent than other areas of England. Some farmers went out of business and their holdings amalgamated, leading to an increase in the amount of eligible land in excess of the 700 hectares HFA threshold. Another possible reason for the decrease was the introduction of a specific claim for HFA. Payments made in 2001 were automatic – based on the fact that farmers had declared in excess of 10 hectares of LFA land on their 2000 IACS Area Aid Applications (AAAs) – there was no separate claim for HFA. This changed in 2002 when there was a requirement for producers to tick a box on their 2001 IACS AAAs to claim HFA. IACS forms completed in May 2001 were when foot and mouth disease was at its height. In March, when it became clear that the reduction in claims would lead to an underspend, a budgetary coefficient was applied to the payment rates, increasing them by 20% over the previously published rates for 2002.

### **Progress against ERDP targets**

81. The tables illustrating progress of the schemes against the indicators and targets set out in Section 7 and Annex VII of the ERDP are at Annex 3.
82. Progress in meeting the targets has generally been good. For the Rural Enterprise Scheme, there is currently a shortfall against the indicative target (in table 2 of Annex 3) to assist 6,000-7,000 projects by 2007. However, the rising profile of expenditure on this scheme over the remaining years of the Programme is likely to result in an accelerated rate of approvals. Similarly, the Processing and Marketing

15 <http://defra.gov.uk>

Grant has also produced fewer approved projects than expected, but as these have a higher average value than was envisaged when the targets were set, there would appear to be little cause for concern.

83. For reasons explained elsewhere in this report (see paragraphs 73 to 77), the Energy Crops Scheme has suffered from low uptake since its inception. There has also been a disappointing lack of success in meeting the Organic Farming Scheme targets, though this issue is being addressed through changes to the scheme (see paragraph 69) and, more broadly, through the Organic Action Plan (paragraphs 38 and 39).
84. The ESA Scheme has continued to increase the number of agreements and area under agreement. Some 600,000 ha were under agreement at the end of 2002.

## Progress against Commission's common monitoring indicators.

85. The tables setting out progress against the Commission's common monitoring indicators are at Annex 4. The table below sets out the key data for each scheme and compares it with the corresponding data for previous years.

Scheme	Agreements made			Area covered ('000 ha)			Public Funding (£m)		
	2000	2001	2002	2000	2001	2002	2000	2001	2002
Vocational Training Scheme	n/a	96	72	n/a	n/a	n/a	n/a	1.8	4.4
Hill Farm Allowance <sup>(3)</sup>	12,345	10,944	11,306	1,400	1,368	1,418	44.0	42.5	41.0
Countryside Stewardship <sup>(4)</sup>	2,072	2,520	2,302	80	105	69	13.9	16.6	13.5
ESAs <sup>(5)</sup>	500	470	2,329	28	36	97	2.5	3.5	11.4
Organic Farming Scheme	0	763	273	0	56	19.6	0	2.2	0.5
Processing and Marketing Grant	n/a	27	54	n/a	n/a	n/a	n/a	7.4	11.0
Afforestation and other forestry schemes <sup>(6)</sup> <i>of which:</i>	1,352	2,120	1,626	49	52	33	11.8	13.5	9.7
<i>Farm Woodland</i>									
<i>Premium Scheme</i>	555	937	935	2	5	5	0.6	1.2	0.9
<i>Energy Crops Scheme</i> <sup>(7)</sup>	n/a	21	11	n/a	0.2	0.2	n/a	0.4	0.2
Rural Enterprise Scheme <sup>(8)</sup>	n/a	207	389	n/a	n/a	n/a	n/a	14.2	17.0

Notes

(1): all data relates to agreements made in relation to the year shown, excluding previous commitments

(2): n/a means "not applicable".

(3): for Hill Farm Allowance data relates to claims rather than agreements. Year 2000 relates to Hill Livestock Compensatory Allowance (HLCA).

(4): figures are provisional as some agreements for the 2002 scheme year have not been finalised.

(5): includes renewals.

(6): area covered includes management agreements as well as new planting.

(7): includes the establishment of miscanthus under Article 4 of Regulation 1257/1999.

(8): for the Rural Enterprise Scheme, the number of agreements will not equal the sum of individual RES measures agreed, as one project may cover several measures. Details of approvals and funding committed to each of the RES measures implemented in England are given in Annex 4.

86. As envisaged in the Programme, overall funding for the measures includes funds derived from modulation. This element of the funding package was used for the first time in 2001 with the EU receipts contributing a total of £3.34 million in that year and £19.78 million in 2002. This can be broken down as follows:

<b>Table 6: Use of modulation receipts in 2001 and 2002</b>		
<b>Scheme</b>	<b>Modulation funding (£m)</b>	
	<b>2001</b>	<b>2002</b>
Environmentally Sensitive Areas	0.45	5.95
Countryside Stewardship	0.16	8.05
Organic Farming Scheme	2.61	5.75
Energy Crops Scheme	0.12	0.32

87. Overall this represents 8% of EAGGF expenditure under the relevant schemes in 2001 and 43% in 2002. The percentage of expenditure paid for from modulation receipts will increase substantially in future years as the number of new and renewed agreements rises.

## **Modifications to the ERDP in 2002**

88. In September 2002 a document seeking approval for modifications to the ERDP was submitted to the European Commission in accordance with Article 44 of Regulation 445/2002 and subsequently approved in Commission Decision C (2003) 91. The document also provided details of proposed changes which did not require formal Commission approval but which the Commission needed to be notified of.

89. The main changes made to the Programme were as follows:

### **Hill Farm Allowance:**

- i. an increase in the payment rates for livestock producers in the Less Favoured Areas, where the economic situation remains precarious following last year's foot and mouth outbreak. This change was needed to ensure that extensive grazing can be maintained in the uplands for the social and environmental gains which it delivers;
- ii. continuation of the temporary derogation from the minimum stocking density requirements for those producers affected by the foot and mouth outbreak who have been unable to complete their restocking. Farmers wishing to benefit from the derogation will be expected to provide restocking plans demonstrating their intention to achieve the minimum stocking density within a reasonable timescale.



### **Organic Farming Scheme:**

- iii. an extension of the support available to organic farmers converting under the OFS from the existing 5 years to 10 years, provision of support to farmers who have already converted to organic production and who wish to enter the Scheme, and increased support for organic top fruit producers. This change should encourage those who have already converted to continue producing organically and provide confidence over the longer term to those still in conversion.

### **Forestry:**

- iv. the introduction of a new project based grant under the Woodland Grant Scheme to support investment in the harvesting, processing and marketing of forest products, and the formation of forestry associations. The new grant will assist efficient sustainable forest management, encourage diversification and added value at the point of production, and support collaborative activity and the competitiveness of forestry businesses. These changes implement the recommendations of Sustaining England's Woodlands independent Steering Group.

### **Rural Enterprise Scheme:**

- v. amendment of Section 15 of the ERDP which apportions support under Article 33 measures to either the ERDP or Objective 2 Single Programming Documents (SPD). This change will fill potential gaps in funding activities under certain RES measures to enable support to be provided under the ERDP in Objective 2 areas where these activities are not specifically provided for in the relevant SPDs.

### **Vocational Training Scheme:**

- vi. introduction of a streamlined appraisal process for individual trainees applying to VTS, to enable trainees to attend courses identified at short notice; and provision of support for project development activities, intended to lead to better-researched and higher value training projects. These changes follow a recent internal review of the scheme set up to examine how delivery could be improved and uptake boosted.
- vii. Support for project development work as an eligible project in its own right, provided that a commitment is made to deliver the training in a subsequent VTS application.

## Section C: Action taken to ensure high quality and effective implementation

90. This section describes action taken by the management authority (Defra) to support high quality and effective implementation of the ERDP during 2002.

### General Background

91. 2002 saw the establishment of an ERDP Ministerial Board, bringing together the Minister of State for the Environment, the Minister of State for Rural Affairs, and the Defra Parliamentary Secretaries for the House of Commons and House of Lords in regular meetings beginning in December 2002 and continuing at intervals of about six weeks thereafter. The purpose of the Ministerial Board is to provide a strategic overview of the ERDP and related policy activities such as the Strategy for Sustainable Farming and Food. It also considers the future development of the ERDP and its successor Programme (from 2007), and gives direction to ERDP delivery mechanisms.
92. A new group consisting of senior Defra officials and ERDP partners was also established in 2002. This group (the Policy Advice Group) supplements the National Strategy Group, whose role is described in Annex VI of the ERDP programming document, and aims to advise and make recommendations to the ERDP Ministerial Board on the policy and delivery of the Programme. It first met in October 2002.
93. The national ERDP Consultation Group and, at regional level, the ERDP Regional Consultation Groups, provide an important opportunity to seek views from key stakeholders on implementation and further development of the ERDP. The national Consultation Group met twice during 2002, in May and December. In addition, members of the Group were closely involved in the review of agri-environment schemes which began in 2002.

### Horizontal requirements

94. Agri-environment scheme inspections resumed in October 2002 and will include whole farm spot checks on Good Farming Practice. Work is continuing with partners to maintain and develop processes for the effective monitoring of suspected breaches.
95. 2002 saw the introduction of automatic cross-checking of all land information provided on ERDP scheme applications against data held on the Integrated Administration and Control System (IACS). The new cross-checking procedure will significantly ease the burden of this legislative requirement in the longer term, but in the short term it produced a large number of mainly minor queries which required investigation. Queries generated by the cross check inevitably led to some delay while data was validated, but the majority of claims were paid within the usual target periods.

## Issues affecting land based schemes

### **Countryside Stewardship**

96. The most beneficial Arable Stewardship Scheme options have now been incorporated into Countryside Stewardship. Nearly 30% of applicants applied for the overwintered stubbles options, and it is estimated that, combined, these options account for over 10% of the new land added to the scheme in 2002. Uptake of margins and other arable options, such as conservation headlands and wildlife seed mixture remained comparable with previous years.
97. The 2003 application window was brought forward two months earlier and closed one month earlier than usual, in April 2003. The new arrangements gave applicants an extra month overall within which to submit applications, and will increase the number of successful applicants receiving agreement offers before the end of December 2003.

### **Capital Items Review**

98. Payments for capital items in the Countryside Stewardship and ESA schemes are currently under review. Where practicable, payment rates will be standardised across both schemes, making them easier to administer. Payment rates will also rise if it is thought that an increased incentive is required to secure the desired level of uptake. Proposals were issued for consultation to stakeholders in summer 2003.

### **Agri-environment scheme review**

99. The Agri-environment Schemes Review progressed significantly in 2002. It explored the possibilities for streamlining and improving current agri-environment schemes through a major public consultation and the production of a draft framework for agri-environment schemes in England. The Review team has also developed a pilot 'entry-level' agri-environment scheme which will hopefully underpin the revised higher tiers. The Review will complement the process of developing an overall Government strategy for sustainable food and farming and has provided a mechanism for following up the recommendations on agri-environment schemes made by the Policy Commission.
100. Close contact has been maintained with other relevant review teams and there has been very close working with stakeholders, Government Departments and Agencies, land managers, farmers and the public to determine how agri-environment schemes should be designed in England. The framework document was completed in 2003 following a second public consultation, and the pilot 'entry-level' scheme is operating in four representative areas. These will both inform the development of new and revised schemes, which it is intended will be rolled out in 2005. Major policy changes and proposals for reform of the Common Agricultural Policy (CAP) will need to be taken into account as they develop.

## Access Review

101. Access in Countryside Stewardship and the Environmentally Sensitive Areas Scheme was reviewed by public consultation in 2002 with a view to improving the current arrangements, particularly in the light of the new Countryside and Rights of Way Act 2000, and feeding these into the parallel Agri-environment Schemes Review. A summary report on the consultation responses was published in January 2003. Ministers have agreed to introduce a number of changes to the scheme and a full report on the response to the consultation will be published in 2003.

## Hill Farm Allowance

102. The UK Government is carrying out a mid-term review of HFA in 2003 and commissioned research during 2002 to examine new forms of land classification in upland areas. The results will feed into the HFA mid-term review.

## Woodland Grant Scheme and Farm Woodland Premium Scheme

103. Early in 2002 Defra and the Forestry Commission launched a joint policy review of woodland creation in England under the Woodland Grant Scheme and the Farm Woodland Premium Scheme. The review was informed by, among other things: the June 2002 report of an economic, social and environmental evaluation<sup>16</sup> commissioned from external consultants; the results of a public consultation exercise<sup>17</sup> carried out between May and August 2002; and the work of an independent Steering Group which reported to Defra and the Forestry Commission at the end of November 2002. Defra and the Forestry Commission's response to the Steering Group's report, together with the report itself, was published on 15 April 2003<sup>18</sup> and is likely to result in some modification of the present schemes. The end of 2002 saw the start of a wider review of forestry policy in England generally which is expected to be completed in summer 2003.

## Issues affecting the Rural Economy Schemes

104. The following paragraphs discuss the main implementation and quality control issues affecting the ERDP rural economy schemes: that is, the Rural Enterprise Scheme, the Processing and Marketing Grant, and the Vocational Training Scheme.

105. Many of the land based schemes included in the ERDP were already well-established by the time the Programme was launched. By contrast, the three rural economy schemes have only been in operation since October 2000, and (although they share some attributes with earlier schemes under, for example, Objective 5b) in a number of respects represent a new departure for England. In addition, the outbreak of foot and mouth disease in 2001 meant that significant resources had to be diverted away from implementation of the ERDP, with the result that many of the activities which could have been undertaken to help the new schemes bed down had to be deferred.

16 "Evaluation of Woodland Creation in England under the Woodland Grant Scheme and the Farm Woodland Premium Scheme", June 2002, <http://www.defra.gov.uk/esg/economics/econeval/woodland/index.htm>

17 <http://www.defra.gov.uk/corporate/consult/woodlandcreation/index.htm>

18 "Policy Review of Woodland Creation in England under the Woodland Grant Scheme and the Farm Woodland Premium Scheme: Response of the Forestry Commission and the Department for Environment, Food and Rural Affairs to the Report of the Review Steering Group, April 2003": <http://www.defra.gov.uk/erdp/pdfs/fsps/woodlandcreation.pdf>.

106. A key priority in 2002 has therefore been to apply the lessons learnt from the first year of operating the rural economy schemes. Progress has been made in two main areas:

- improving the quality and flow of applications;
- achieving greater integration.

### **Improving the quality and flow of applications**

107. Each of the project based schemes aims to support good quality individual projects which are able to produce sustainable outputs in line with national and regional priorities. In order to ensure that the investment of public money maximises the intended benefits, the schemes are run on a selective basis in which projects compete for the funding available.

108. Applications are assessed qualitatively and in most cases on the basis of business plans, which provide the opportunity for applicants to set out their case for grant aid. For example, they are asked to demonstrate the need for the project, explain their marketing plans, detail the financial package, show why the grant is needed, set out initial cash flows, and forecast the benefits that would accrue. The submission of better quality business plans and applications is therefore a key factor in ensuring that the schemes deliver good value for money. It also has advantages for scheme administration. For example:

- smoother operation of Regional Appraisal Panels (RAPs), which aids the decision making process;
- speedier application and claim processing times;
- minimising the time needed to chase up information from applicants and agreement holders;
- decreasing the likelihood that claims scheduled to be paid in one financial year slip into the next;
- improving the prospects for well planned indicators that will deliver the anticipated benefits.

109. Initial experience of running the rural economy schemes suggested a clear need to improve the quality of business plans in order both to reap these advantages and to meet scheme objectives. Defra's Rural Development Service therefore committed significant resources in 2002 to workshops and other forms of pre-application support. Similar levels of activity are continuing into 2003, with mounting evidence that it is achieving results. For example, as noted in paragraph 55, the number of projects being approved is on the increase even though the number of applications received is less than at the very beginning of the schemes.

110. It is essential for applicants to understand the need for a well-structured business plan if they are to launch a successful business enterprise or community project, whether or not they are applying for public funding towards the cost of the project. At the same time, clinics or workshops can offer guidance on the level of detail required to make the business plan an effective tool. For example, it would

not be reasonable to expect the same amount of effort to be put into the business plan for a low value project as would be needed to support the case for a very high value project.

111. To further improve the focus of applications, Regional Targeting Statements for the rural economy schemes were introduced in 2002. These are designed to make the selection process for the schemes more transparent to potential applicants by summarising the types of activities that will be given priority for funding to meet regional goals.
112. Another step taken to improve the flow of applications was the introduction in the early part of 2002 of more flexible arrangements for the timing of Regional Appraisal Panels (RAPs). As noted in paragraph 54, these consider applications for support under the project based schemes following a detailed technical assessment carried out by Defra's Rural Development Service. It was originally expected that RAPs would meet no more than once every three months, but experience in 2001 showed that this was causing unnecessary delays and leading to impractical peaks of administrative activity. Allowing RAPs to meet more frequently in line with actual workflows has speeded up the processing of applications and helps ensure that projects are able to start to a realistic timetable. As a result, average times for determining applications fell by more than 50% in 2002.
113. As well as pre-application workshops and clinics, regions have also instigated arrangements to meet with applicants who have successfully had their projects approved by RAPs. This has proved to be an effective way of impressing on project managers the importance of meeting agreed milestones and submitting claims according to the agreed timetable. As such it is helping to avoid the slippage of claims from one financial year to another and thus minimising the risk of losing ERDP funds.

### **Achieving greater integration**

114. One of the main challenges for the ERDP is to enhance its capability to deliver economic, environmental and social benefits as an integrated package. This integration has two main facets: improving the integration between each of the 10 ERDP schemes to ensure that they operate as a suite of complementary measures rather than separate entities; and integration of the ERDP with other rural funding streams and partner organisations in the pursuit of shared goals.
115. RDS regional officials have carried out a number of activities aimed at improving integration between the ERDP schemes. For example, in 2002:
  - RDS technical staff were trained to ensure they can advise on all the ERDP schemes;
  - It was decided to combine CSS and project-based schemes targeting statements into one document in some regions;
  - joint site visits were held whenever possible, i.e. CSS and project-based schemes;
  - meetings were held for all scheme advisers to discuss regional issues and share knowledge;

- promotional events have been attended by project-based and land-based advisers to ensure full ERDP coverage;
- land-based scheme staff attended project-based scheme visits;
- technical staff have been temporarily deployed into administrative roles to meet work priorities, broadening their knowledge of the ERDP.

116. Additionally, a number of initiatives have been developed to improve the integration of the ERDP with regional partners and other rural funding streams. Some examples of these initiatives are provided below :

- several regions have produced single documents, databases or web-based guides to all rural funding grants available in the region, working in partnership with the other main rural funders (for example, the Regional Development Agencies, the Forestry Commission, environment and rural agencies). In some regions, this has also been followed by an attempt to identify shared targets, so that regional objectives can be met through all the main funding streams.
- The pre-application workshops and clinics held by regions have been expanded in some cases to promote greater awareness among farmers and other rural stakeholders of the options available to them from other rural funding streams besides ERDP.
- Bilateral or multilateral partnerships have been developed between Defra's Rural Development Service and other rural funders or strategic players in most regions, to seek to ensure more integrated and coordinated treatment of particular grants or concerns. This has included liaison between:
  - regional tourism boards and Rural Enterprise Scheme officers to promote the most effective use of tourism grants;
  - the Rural Development Service and Regional Development Agencies for regional recovery or economic strategies and farm diversification;
  - the Rural Development Service and Government Office Objective 2 programme managers to seek to ensure that there are no unreasonable gaps in funding between the two schemes;
  - land based ERDP schemes and those of English Nature, the Countryside Agency and National Parks, so that these initiatives complement the ERDP schemes;
  - training colleges, freelance training providers and training funders (including the Vocational Training Scheme) to coordinate and in some instances stimulate enhanced rural skills development through appropriate training provision for rural businesses.

## Financial controls

117. Detailed checks have been applied on each claim during processing, including full IACS cross checking. Claims were only recommended for payment authorisation once the full range of administrative checks had been completed and cleared. A full separation of duties between authorisation, execution and accounting for payments was maintained. Separation was also maintained between those administering the claim and those involved in 'on the spot' compliance inspection

controls. In operating the control environment due heed was paid to the requirements as prescribed under 1257/99 and 445/2002, and to EC document VI/10535/99.

### Mid term evaluation of the ERDP

118. Following an earlier tendering exercise, Imperial College Consultants were selected to conduct a preliminary baseline study of the ERDP mid-term evaluation on Defra's behalf. The study commenced in June 2002.
119. The aim of the baseline study was to produce a start point for measurement of the impacts of scheme interventions. Existing surveys, data sets and evaluation sources were identified and relevant information collected. The consultants reviewed the available data and information with reference to the mid-term evaluation requirements. The consultant's report was issued in August 2002.
120. In December 2002, the consortium bid of ADAS/Segal Quince Wicksteed (SQW) were selected as the independent consultants to undertake the mid-term evaluation, following another tendering exercise. Work on the project is currently underway and is scheduled for completion by December 2003 in accordance with Commission requirements.
121. The mid-term evaluation is guided by a steering group. The purpose of the group is to:
  - Monitor progress of the evaluation;
  - To ensure that the consultants fulfil the requirements of the study;
  - To assist the evaluation team where appropriate;
  - For members to feed back information to and from the steering group.



## Section D: Measures taken to ensure compatibility with community policies

### Natura 2000

122. No new Special Protection Areas (SPAs) were classified in England during the year, although the Ribble and Alt Estuaries SPA was extended. The terrestrial network in England is made up of 76 sites and is now largely complete and meeting the objectives set by Article 4 of the EC Birds Directive. The UK SPA Scientific Working Group, established in November 2001, has continued its work in considering and advising on scientific and technical issues relevant to the further development and management of the SPA network across the UK.
123. The network of Special Areas of Conservation (SAC) in England was further expanded with six tranches of sites being sent to the European Commission in 2002, and early in 2003, as candidate SACs. 10 new English sites were added (including cross-border sites) bringing an additional 4,402 hectares into the network in England. Following the moderation meeting in the Hague in June 2002, the UK has considered how to proceed on the few insufficiencies highlighted at the meeting. Additional sites have been suggested for both geographical and ecological reasons. Public consultation is still being carried out on a few sites, but it is expected that the UK list will be substantially complete by the end of 2003.

### Nitrates Directive

124. Nitrate Vulnerable Zones (NVZs) covering around 8% of England's land area were designated in 1996 to protect drinking water sources. In December 2000 the European Court of Justice ruled that the UK had failed to implement the Directive fully, stating that it applied to all ground and surface waters with the intention of protecting the wide aquatic environment from elevated nitrate concentrations and reducing the risk of eutrophication (for example, excessive algae growth in lakes), not just safeguarding drinking water sources. The UK has been working to comply with this ruling as soon as administratively possible.
125. Following public consultation, NVZ areas in England were increased to cover a total of 55% of England's land area in 2002. Farmers in these areas have been required to follow Action Programme measures to control nitrate losses from agricultural land since 19 December 2002.
126. Full details of all aspects of implementation of the Nitrates Directive in England, including interactive maps showing the location of new NVZ areas, are available via the Defra NVZ web pages.

### Progress on Objective 1

127. In line with other structural funds, the EAGGF programme for Objective 1 areas is delegated to the Government Offices for the respective regions (Southwest, Northwest, Yorkshire and Humber).

128. By the end of 2002, all N+2 targets had been met by the Objective 1 regions. Approximately £10 million of EAGGF funding and £10 million of Defra match-funding was defrayed by projects in the calendar year. Annual reports from each programme have been submitted to the Commission. One project in the Southwest (Working Woodlands II) has been queried by DG Agri and is currently subject to bilateral negotiations.

## Progress on Objective 2

129. There are nine English Objective 2 programmes, one in each English region, covering the period 2000-2006. They are aimed at supporting the economic and social conversion of industrial, rural, urban and fisheries areas facing structural difficulties. England has been allocated a total of £2.1 billion Objective 2 funding from the European Regional Development Fund and European Social Fund.

130. All nine Objective 2 programmes, known as Single Programming Documents (SPDs) were approved by the European Commission in March 2001. They are currently being implemented by the regional partners. With the exception of the South East and London, all the English regions include rural areas in their Objective 2 coverage. However, the SPDs contain implementing provisions to ensure that measures supported by Objective 2 do not duplicate those funded by the ERDP.

## Complementarity between ERDP, Objective 1 and Objective 2

### Objective 1

131. During the development of both the ERDP and the Structural Funds Single Programming Documents, joint meetings were held in order to co-ordinate processes and themes wherever possible to ensure complementarity. Monitoring Committees and Working Groups aim to ensure that there is no overlap of funding between Objective 1 and the ERDP. These bodies also ensure that cross-cutting and overarching themes common to all of these funding streams are taken into consideration when assessing project applications. Defra is represented at all of these meetings. Similar mechanisms have been set up for Objective 2 programmes.

132. The Scheme Implementation Plan covering operations under EAGGF Objective 1 also highlights the need to consider cross-cutting themes (under the Rural Development Regulation) when assessing projects. Complementarity is further supported by the involvement of the Rural Development Service in assessing and scoring of project applications for both ERDP and Objective 1 projects.

### Objective 2

133. Steps were taken during 2002 to increase the complementarity between measures (n), (o) and (s) of Article 33 with Objective 2 Single Programming Documents (SPD). Section 15 of the ERDP was amended to enable support to be provided under the ERDP for activities covered by these measures in Objective 2 areas, but only where the activities concerned are not specifically provided for in the relevant SPDs. This removes a potential funding gap which arose under previous

arrangements, where in some cases applicants in Objective 2 areas found themselves eligible for support under neither the Single Programming Document nor the ERDP.

## LEADER+

134. Twenty five local action groups have been chosen to receive funding under the England LEADER+ Programme following a competitive selection process.
135. LEADER+ and the ERDP share common objectives but take different approaches to achieving them. LEADER+ focuses on community-led partnerships implementing innovative, sustainable development plans. One of the roles of the LEADER+ Programme is to test innovative approaches to rural development and influence future mainstream development programmes such as the ERDP.
136. The England LEADER+ Programme – at Section 4 and Annex 3, Section B – details the relationship between LEADER+ and the ERDP or other rural development funding streams. As part of their application for LEADER+ funding, local action groups were required to demonstrate how their activities would complement other funding streams. Complementarity with ERDP (and other Programmes) is also covered in the application for individual LEADER+ projects. Complementarity of LEADER+ activities with other rural development programmes will continue to be monitored by the National and Regional Programme Monitoring Committees.

## Annex 1: Complementary initiatives and sources of assistance for rural areas.

ERDP is one source of assistance for change in rural areas. Throughout the year many other complementary initiatives were also operating, some of which are mentioned in the main part of this Report. The following list of those that operated in 2002 is included in this Report to help foster partnership and to help ERDP partners and stakeholders to identify the most appropriate initiative(s) in order to make effective use of both ERDP and other rural development funds. These range from large national to small locally based initiatives or schemes aimed at specifically designated areas. Initiatives are listed below, in alphabetical order, in the following four categories:

1. National or multi regional initiatives
2. Small scale discretionary grants/matched funding available through various bodies throughout England
3. Initiatives applicable in specific/designated areas only
4. Other Government support in rural areas

### 1. National or multi regional initiatives

#### **Agriculture Development Scheme (Defra)**

A competitive scheme to assist non-capital projects and designed to improve marketing performance and competitiveness.

#### **Biodiversity Grant Scheme (English Nature)**

Grants are available for research and practical projects to halt losses and decline in species and habitats which are currently under threat.

#### **Buildings and Monuments Grant Scheme (English Heritage)**

Conservation grants to assist with the repair only of grade I and II\* historic buildings (not grade II) considered to be "at risk" and the management of scheduled ancient monuments (i.e. sites deemed to be nationally important). The grants are payable to local authorities, charities and private individuals.

#### **Craft Training Programme (Countryside Agency)**

The Craft Training Programme has two elements: the New Entrants Training Scheme and a range of short, more advanced Open Courses, both of which aim to provide relevant and accessible training for small rural firms working in the crafts and rural trades.

### **(i) New Entrants Training Scheme (NETS)**

Grants for training of over 150 apprentices (thatching, saddlery, wheelwrighting, wood machining, traditional upholstery, furniture making and restoration, forge work and agricultural engineering) through a apprenticeship scheme based on employment in rural crafts businesses leading to industry recognized qualifications.

### **(ii) Open Courses**

A range of short, more advanced courses based on the NETS disciplines for those already in the trade who need to top up or diversify their skills.

### **Development Fund (DTI and Small Business Service)**

To encourage innovative ideas to promote and support enterprise in disadvantaged areas and in groups currently under-represented in terms of business ownership. Its purpose is to encourage experimentation, the evaluation of new ideas and the identification and spread of best practice in an area where there is currently too little knowledge.

### **Development Fund for Rural Renewal (DTI and Small Business Service)**

This mitigates the effects of foot and mouth disease by enabling more people to develop business ideas, start up and run new businesses, or grow existing ones. The aim is to encourage a variety of high quality projects that target particular areas and/or groups which have been affected by the foot and mouth disease outbreak, particularly when there is or has been a reluctance to seek help for their businesses.

### **Doorstep Greens (Countryside Agency)**

Designed to help 200 communities to improve their quality of life. The scheme targets disadvantaged communities where regeneration of the local environment and outdoor recreation provision is needed. Grants can be made for project preparation as well as setting up a Doorstep Green projects, related training and maintenance for up to 3 years.

### **Eat the View (Countryside Agency)**

Aims to help people make the link between the products they buy and the countryside they cherish. Improving the commercial viability of environmentally sound land management can both help support rural communities and maintain the traditional character of the English countryside. Eat the View, launched in July 2000, is a five year programme. Current projects include: regional food groups in partnership with Food From Britain; support for the National Association of Farmers Markets and Farm Retail Association; and studies to gather views of consumers and attitudes of tourists.

### **Enterprise Grant Scheme (DTI, GOs, RDAs, Business Links)**

To help SMEs in certain areas of England to invest in projects that would otherwise not go ahead, in order to grow. Grant available is up to a maximum of £75,000 on projects with up to £500,000 capital investment. In general, high growth businesses seeking to maximise value added projects with quality output are given preference.

### **Farm Business Advisory Scheme (Defra through Business Links)**

Designed to provide free on-farm advice to farmers to help them decide on the direction in which to take their businesses and to signpost them to further advice and funding streams and thus enable to them to carry out a farm business action plan.

### **Flood defence (Environment Agency)**

Funding available to support flood defence projects, including environmental aspects.

### **Heritage Economic Regeneration Scheme (English Heritage)**

Conservation grants targeted at areas of social deprivation (these have included a number of market and other small towns).

### **Industry Forum Adaptation (DTI)**

Funds projects linked to the spread of best practice within particular sectors. Current projects include the "Red Meat Industry Forum Adaptation Initiative" which, for the red meat sector, aims to raise productivity, improve the sector's supply chain and strengthen overall competitiveness.

### **Land and Property (RDAs)**

Working in partnership with the private and public sector to secure the development of brownfield and strategically important sites. Supports rural and urban environment improvement, employment, business growth, business start ups, clusters and key sector growth. Targeted to priority geographic areas such as Rural Priority Areas and Objective 2 and 5b transitional areas.

### **Land Management Initiatives (Countryside Agency)**

A series of nine geographically based projects which are testing and demonstrating how England's land management and farming systems can respond to the changing demands on agriculture in ways that will maintain a healthy, attractive environment and contribute to thriving rural economies and communities. Each project has been developed locally, in partnership with the farming community and other interest groups, and is guided by the objectives of the national programme.

### **LEADER+ (Defra and GOs)**

This is a six year programme to assist rural communities. Partnerships of local organisations and people receive funds to identify development needs within their rural communities, which they set out in a development plan; and to develop and test small-scale, innovative pilot projects to meet those needs in a sustainable way.

### **Local Heritage Initiative (Countryside Agency)**

A national grant scheme set up in 2000 and expected to run for 10 years. Designed to help local groups to investigate, explain and care for their local landmarks, landscape, traditions and culture. Grants are available for: study and interpretation of archaeological heritage, management of locally characteristic landscape features, and wildlife habitats, the built and industrial heritage, customs and traditions.

More information on: [www.LHI.org.uk](http://www.LHI.org.uk)

### **Market Towns Initiative (Countryside Agency and RDAs)**

To bring a new lease of life to market towns (and surrounding areas) so that they can provide convenient access to the services that surrounding rural communities depend on: retail and professional, training and jobs, leisure and cultural activities. Delegated grants through working groups involved in the healthcheck process. Targeted on 140 towns, but free advice/tool kit for others. Website: [www.countryside.gov.uk/market-towns](http://www.countryside.gov.uk/market-towns).

### **Objective 3 Structural Funds (DfES and GOs)**

These support the adaptation and modernisation of policies and systems of education, training and employment

### **Organic Conversion Information Service (Elm Farm advisors on behalf of Defra)**

The Service assists farmers to decide whether both they and their land are suitable for conversion to organic farming

### **Planning Consultancy for the Rural Enterprise Scheme (Defra)**

This provides a free professional planning feasibility study for farmers who wish to pursue viable diversification projects under RES

### **Pig Industry Restructuring Scheme (Defra)**

This Scheme operated during 2001 but is now closed to applications. There were two parts to the scheme: the 'Outgoers' part was aimed at reducing industry capacity, whilst the 'Ongoers' part was aimed at helping pig farmers restructure their businesses for the future.

## **Producer Organisation (Fresh Fruit and Vegetables) Aid Scheme (Defra and Rural Payments Agency)**

The scheme provides financial support for recognised Producer Organisations who submit 3-5 year operational programmes aimed at encouraging the use of environmental techniques and improving the quality, marketing and end value of the product. The EU funds up to 50% of eligible costs of each programme, up to an overall set ceiling of 4.1% of the organisation's annual turnover.

## **Single Regeneration Budget (RDAs)**

Provides resources to support regeneration of the physical and social environment in urban areas. Initiatives in England carried out by local regeneration partnerships. Its priority is to enhance the quality of life of local people in areas of need by reducing the gap between deprived and other areas, and between different groups. It supports initiatives that build on best practice and represent good value for money. There will be no further national round of the SRB funding, existing initiatives will proceed as agreed.

## **Vital Villages (Countryside Agency)**

This is intended to help small rural communities to take stock of their village, to identify what they need to revitalize it, to ensure local people have a voice in their future and to provide support to enable each village to make its own decisions and to implement some of the improvements needed locally. Grants are available to anyone proposing to improve or establish a local service for a rural community, and include Parish Plans Grant, Community Services Grant, Parish Transport Grant and Rural Transport Partnership Scheme.

## **2. Small scale discretionary grants/matched funding available through various bodies throughout England**

### **English Nature**

Grants to enrich local biodiversity

### **Local Authorities**

Adult and Community Education  
Business support  
County Farms and woodlands  
Infrastructure – buildings, footpaths, cycleways  
Tourism – promotion and marketing  
Research, facilitation and local brokering  
Integration into Community Planning Process  
Social Inclusion, healthy eating, schools

### **Local Partners**

Support for small businesses in Objective 2 areas  
Support for rural tourism in Objective 2 areas  
Support for rural communities and services in Objective 2 areas



## **Learning & Skills Councils**

Support to develop skills in Objective 2 areas  
Active labour market policies in Objective 3 areas  
Equal opportunities and social inclusion in Objective 3 areas  
Lifelong learning in Objective 3 areas  
Adaptability and entrepreneurship in Objective 3 areas  
Improving the participation of women in Objective 3 areas

## **3. Initiatives applicable in specific/designated areas only**

### **Objective 1 Structural Funds (Defra and GOs)**

Similar to rural development measures under ERDP, but with potentially higher grant rates. The Programme is delivered through the Government Offices in Cornwall, Merseyside and South Yorkshire. Supports rural diversification areas whose average income is less than 75% of the average.

### **Objective 2 Structural Funds (DTLR and GOs)**

Supporting the economic and social conversion of areas facing structural difficulties. Some Rural Enterprise Scheme measures are not available in Objective 2 areas and should be funded by this programme.

### **Farm Waste Grant Scheme (Defra)**

Grants to farmers to help them comply with waste storage regulations in designated Nitrate Vulnerable Zones

### **Land Purchase Grants (English Nature)**

Grants to conservation organisations towards the cost of acquiring land – principally that which is notified as SSSI

### **Management Agreements (English Nature)**

These are the main mechanisms available to English Nature to secure the positive management of Sites of Special Scientific Interest by owners and occupiers. Priority is given to those sites in unfavourable condition. Many agreements include a capital payment for habitat restoration, such as scrub clearance, in addition to annual payments.

### **National Parks Management Agreements (National Parks Authorities)**

To encourage farmers/landholders to manage their land in such a way as to preserve and protect the countryside and the features (landscape and heritage) within it, in accordance with National Park purposes. Agreements are also set up by which landholders open up areas of their land to the public.

### **Areas of Outstanding Natural Beauty (Countryside Agency)**

For the better management of all AONBs to help them make the most of these opportunities, in particular to establish dedicated teams of staff to carry out core functions. Includes grants to help implement new statutory management plans.

### **Reserves Enhancement Scheme (English Nature)**

Grants to support management of National Nature Reserves by VCOs and for capital projects on the same sites. Support is provided to 32 County Wildlife Trusts in England, plus two specialist conservation bodies.

### **Section 35 National Nature Reserves Capital Grant Scheme (English Nature)**

Grants are available to Approved Bodies under Section 35 (1) (c) of the Wildlife and Countryside Act 1981, where these Approved Bodies are not eligible for the Reserves Enhancement Scheme. These grants are for the capital costs of projects improving the management of the reserve.

### **Local Nature Reserves Grant Scheme (English Nature)**

Funds are available to organisations involved or interested in managing and developing Local Nature Reserves such as local authorities, local councils, wildlife trusts and charitable groups, particularly in disadvantaged areas that lack access to natural open space. Local Nature Reserves are areas which have been formally declared by the Local Authority under Section 21 of the National Parks and Access to the Countryside Act.

## **4. Other Government support in rural areas**

- Department for Trade and Industry loans for small businesses and business advice through the Small Business Service;
- Department for Transport offers funding under the Rural Bus Challenge to encourage cost-effective innovation in the provision or promotion by local authorities of rural bus transport.
- Department for Education and Skills offers assistance with job searching and rural skills;
- Department of Culture, Media and Sport, as part of a foot and mouth disease tourism recovery strategy, announced additional funding for tourism promotion;
- Benefits Agency offers a range of support including *Jobseeker's Allowance*, *Minimum Income Guarantee*, *Housing Benefit*, *Council Tax Benefit*, *Social Fund* and *The Working Families' Tax Credit*.

## Annex 2: Regional reports

This annex provides a summary of the main developments affecting the English regions since the ERDP was approved in October 2000, and in particular those which occurred in 2002. It covers the following regions:

- A. North East
- B. North West
- C. Yorkshire and Humberside
- D. East Midlands
- E. West Midlands
- F. East of England
- G. South East
- H. South West

The annex describes the main *regional* factors affecting conditions in each region and, as such, complements the information provided for England as a whole in section A of this report (“Changes to Conditions, Trends and Policies”). To avoid duplication with the main body of the report, particular emphasis is given in this annex to specifically *regional* initiatives and developments.

Fuller details of many of the initiatives and sources of assistance described in these sections can be found in annex 1.

### Changes in conditions

#### Foot and mouth disease

Farming in the North East was in severe difficulty even before the outbreak of foot and mouth disease. Research carried out by Newcastle University Centre for Rural Economy (CRE) has shown that the financial and psychological effects for the farming community have been dramatic<sup>20</sup>. Total revenue losses in the wider rural economy were on a par with those inflicted on the farming sector. 56% of surveyed rural micro-businesses were affected, in the main negatively.

The report of the Northumberland Inquiry into the foot and mouth outbreak, set up by the County Council, included measures to deal with any future outbreaks and proposed a recovery plan.

The impact of the foot and mouth crisis on the region in 2001 demonstrated that visitors and the tourism industry represent a hugely important economic regional driver.

#### Other socio-economic changes

Figures from the Countryside Agency's *State of the Countryside* report suggest that the North East continues to have the lowest number of employees engaged in agriculture and horticulture of any region. But this still represents 3.7% of all employment in the region, with only the Yorkshire & Humberside region having a higher rate of 3.8%.

#### The rural environment

The targeting of the new CSS arable options in areas with remaining populations of corn bunting and tree sparrow has worked well. Around 130 applications for arable options were received in these areas.

Local Biodiversity Action Plan (BAP) partnerships continue to stimulate a range of actions for biodiversity across many sectors of the economy in parts of the region. However, the Northumberland BAP process continues to lag behind due to lack of funding for an implementation officer.

### Changes in trends

#### Agriculture sector

Figures from the Farm Business Survey report *Farming in Northern England 2000/2001* show that farm incomes remain low for all farm types, but that for the first time in five years all groups reported a positive net farm income. This was not, however, the case with Management Investment Income which, although positive overall (£15/ha compared with £14/ha the previous year) was negative for three of the seven groups (Lowland Grazing, Upland Rearing and Marginal (Disadvantaged Area) farms).

<sup>20</sup> Confronting the Rural Shutdown: Foot and Mouth Disease and the North East Economy, Centre for Rural Economy, University of Newcastle, July 2002

The outbreak of foot and mouth disease in the last week of February 2001 has had a massive impact on all farms in the region, but the effects will not be seen until the income figures are reported for the 2001/2002 year.

### Leisure and tourism

New research shows that, in spite of having fewer attractions than the rest of England, the North East region actually has a greater number of attractions per staying visitor than any other region. This research also confirms that the North East has a much higher dependency upon tourism than previously realised, as it is more important to the regional economy in terms of both employment and GDP than in any other tourism region in England.

The region has two major flagship rural tourist initiatives at Hadrian's Wall and Alnwick Castle.

## Regional Initiatives and Developments

### FMD recovery activity

One North East, the Regional Development Agency has spent nearly £3.5 million on interest relief, investment support, marketing and business improvement grants. £2.2 million was allocated to Northumbria Tourist Board to support tourism enterprises and for additional marketing activity.

### Rural Action Plan

The Rural Action Plan is in the process of being implemented by organisations across the region. The Regional Rural Affairs Forum Steering Group is preparing a monitoring report on the Plan, which will be submitted to the Forum in June each year.

### Cluster Analysis

Following completion of a study from Promar International – *Mapping the North East Food and Drink Cluster* – and completion of the Region's Rural Action Plan, programmes and projects are being developed to implement the recommended action requirements to integrate the regional food chains. A co-ordinated approach to the development of regionally embedded food chains and to adding value locally to primary production is being taken, with a focus upon market opportunities, supply chain development and integration. However the linkages between different parts of the food chain are currently relatively weak and there is a clear rationale for public sector involvement in this sector to stimulate activity. It is clear that the ERDP has a key role to play in focusing activities in the producer part of the food sector.

## Objective 2

The Programme has £434 million available until 2008 and has spent or committed £98 million. As £200 million must be spent by December 2003, a task force has been established to identify additional projects that will spend at least £50 million. Following the changes in the ERDP/Objective 2 interface, procedures have been established between the Rural Development Service and Government Office North East to ensure that applicants are signposted to the most appropriate funding stream and to encourage joint promotion.

## Objective 3

The total amount of European Social Fund committed to date is £112 million and claims paid to date total £26 million.

## Leader +

Two bids from the North East, North Northumberland and North Pennines were successful. North Northumberland are operating under a strategic local plan approach and are at an early stage, but have recently started to approve projects. North Pennines is acting as an accountable body and has been active in developing, selecting and approving projects.

## Single Regeneration Budget (SRB)

One North East now has a single funding stream to help deliver projects in support of its strategy, and allocates 75% of its headroom to its four sub-regional partnerships. There has been a significant increase in the number of projects that have addressed specific rural issues. For example, the Hadston Centre under the Single Pot and Upper Coquetdale under the Regional Pot.

## Land Management Initiative (LMI)

The Northumberland National Park LMI will finish in August 2003. The research findings and themes of action identified will be progressed within the context of the National Park Area Action Plans, in particular the Rothbury and Coquetdale Initiative. A key aim will be to engage the land management sector in wider development issues such as tourism.

The Great North Forest LMI has been revised in the light of the report of the Policy Commission on the future of food and farming, and other recent policy developments. It has been renamed the *North East Land Link* to reflect its role. Its aim will be to work with a wide range of people and organisations to link land management with the opportunities available from the proximity of the urban fringe.

## Entry Level Pilot Scheme (ELS)

The Policy Commission's report on food and farming proposed the introduction of a new entry level agri-environmental scheme. The North East region contains one of the four pilot areas (Barnard Castle), which will enable the scheme to be piloted on upland farms. The pilot scheme was launched in March 2003.

## Eat the View

Work the Newcastle University Centre for Rural Economy has been doing in relation to speciality food is continuing through co-funding from the Countryside Agency (CA) and One North East. This included a North East Food Festival and the North East Food Fortnight.

The North East CA are currently drawing up a 'framework of action' for the further development of the regions food economy. This will draw from the information from Centre for Rural Economy in relation to the 'speciality food' sector and the 'public procurement' and 'community food initiative/affordable food' information and analysis from the Great North Forest 'North East Land Link'. It aims to have a Food Links Officer in post by end of May 2003 to co-ordinate the supply of fresh produce to urban areas by creating improved links between producers and consumers.

## Vital Villages

Since its launch in July 2001, £1.2 million of the Vital Villages programme has directly benefited communities in this region.

## Market Towns Initiative

All 13 North East Market Towns have embraced the Market Towns Healthcheck and community aspirations are beginning to translate into tangible improvements on the ground in several locations. For example, in Hexham the Community Partnership has succeeded in securing almost £1 million project funding during the last 12 months. Dedicated Market Towns Project Officers have been appointed in 9 towns and their role is to work with local communities to implement Action Plan priorities. Officers are expected to be in post in the remaining four towns by Summer 2003.

## RSPB Schemes

The Royal Society for the Protection of Birds' (RSPB) *Working with Waders* project concluded its first stage in September 2002. With funding from the Countryside Agency, LEADER and English Nature this first stage has been a great success with advisory visits to 78 farms covering 14,000 hectares of land. Seven new agri-environment scheme applications were submitted by the project on behalf of farmers in the North Pennines bringing an additional 1,500 hectares of grassland and moorland into agri-environment agreement. In addition, the project officer provided extra specialist advice on 66 new or renewed agreements covering a further 19,500 hectares. The linked Community Biodiversity Scheme was another success with communities from three local areas being involved in educational and art activities that celebrated the upland scenery and wildlife that is characteristic of the North Pennines.

The RSPB Volunteer and Farmer Alliance Project continues to provide a valuable service. The Project Officer arranged for specially trained volunteers to visit around 80 farms in 2002 and carry out farmland bird surveys. Following the visits bird information is mapped and returned to the farmer to demonstrate what is present on the farm.

The RSPB is also running an experiment called Bird Aid at a couple of farms in Northumberland where the effects of providing winter feed, in fairly substantial quantities, on seed eating birds survival is being measured. Early results indicate that this could be a significant aid to tree sparrows but that more work is needed on other species.



### Changes to conditions

#### Foot and mouth disease

The North West was the most severely affected by foot and mouth disease of any English region, with Cumbria being the worst hit county. Almost half of all Cumbria's farms lost livestock. 2002 has seen a significant amount of restocking with fewer farmers than initially predicted leaving the sector. It should be noted, however, that this may yet take place and a long term trend may accelerate.

Prices for commercial beef and sheep (fattening and finished) were relatively high mainly because of a reduction in supply as a result of foot and mouth disease, but also because of high product quality. Prices for breeding stock were significantly higher than in the previous two years because of restocking and buoyant prices for commercial stock.

It is estimated that milk producers in the region have reduced by some 20% in the aftermath of foot and mouth disease, accelerating a trend that was apparent before the outbreak of the disease. However, production levels remain at much the same level in spite of the decrease in producers. This is because of substantial recent investment in the sector, with the installation or extension of over 130 parlours within the North West region.

#### Other Socio-economic changes

The North West is a region of extremes. Whilst there are areas of distinct cultural heritage, there is also significant dereliction around old industrial areas and urban fringe. The availability of services in the North West is better than the average for England yet, in terms of access to those services, Cumbria has some of the most disadvantaged households in the country.

The region also has some of England's lowest house prices but, in some areas, such as the Lake District National Park, lack of affordable housing is jeopardising the viability of local communities.

#### The rural environment

The Sheep Quota Purchase Scheme (SQPS) was launched with the aim of reducing the level of stocking to achieve environmental benefits in areas such as, for example, heather moorland. The scheme has been heavily oversubscribed.

A special project under the Countryside Stewardship Scheme has been developed to focus on the re-wetting of grassland. Designed in partnership with other agencies, the project is designed to help certain bird species.

## Changes in trends

### Leisure and tourism

Rural tourism is a key industry in the North West, from which many farm businesses, particularly in Cumbria, gain a significant proportion of their income. 2002 saw an increase in visitors to the region (notably to the Lake District) following efforts to market the North East in the aftermath of foot and mouth disease.

In some areas, occupancy levels remain low, but in others there is evidence of room for market growth. Demand is growing for eco-tourism and products, and farms and rural businesses are well placed to cater for this demand. There has also been a growth in linear and themed trails in the region.

The provision of accommodation and services linked to sound environmental management is likely to be central to the development of the sector. Opportunities exist for wider recreation, local products and craft activities. As traditional craft activities develop there will be a need for relevant and practical training in appropriate skills.

### Other sectors

The most recent statistics<sup>22</sup> reveal that there were 85 more rural business start ups in the region than deregistrations. The North West had the second lowest number of rural businesses per 10,000 population of any English region. Over 83% of these were micro and small businesses with less than 10 employees.

### The rural environment

There has been a significant improvement in the condition of the region's rivers, with a 17% increase in the length of river classified as being of "good or fair" chemical quality and a 20% increase in river length classified as of "good or fair" biological quality.

## Regional Initiatives and Developments

### Rural Renaissance Programme

The foot and mouth disease outbreak has given rise to an increasing awareness of rural issues in the region and the interdependence of rural and urban sectors. Through the North West Development Agency (NWDA) the region has developed a Rural Renaissance Programme<sup>23</sup> under which the three shire counties have developed plans for rural recovery. A number of significant initiatives are emerging. It is anticipated that the process can integrate the many and varied funding streams through a more manageable structure, thereby delivering better quality outcomes and hence greater value for money. ERDP funds will contribute heavily to this and, along with other agencies, Defra will be seconding one full time person from the Rural Delivery Service to the process.

22 Countryside Agency: State of the Countryside 2003.

23 <http://www.englandsnorthwest.com/ruralrenaissance/>

## Forest Futures

One initiative arising from Rural Renaissance is Forest Futures. This was launched in July 2002 as a unique woodland Rural Development programme for Cumbria funded by the Forestry Commission, Cumbria County Council, the North West Development Agency, and other local stakeholders. It consists of three projects (Woodland Creation, Woodland Management, and Business Development) with a delivery team<sup>24</sup> to promote, advise on and administer elements of the programme. Funding for these projects totals £2.25 million over three years. These funds will be used to complement other sources. To date 16 applicants are in the process of developing management plans. A further 40 have approached Cumbria woodlands to enter the programme.

### Regional targeting statements

Work has also been completed on producing joint targeting statements to link the ERDP project based schemes (Rural Enterprise Scheme, Processing and Marketing Grant, Vocational Training Scheme) to that of the Countryside Stewardship Scheme. There are encouraging signs that this initiative will enable further integration within the ERDP suite of schemes.

## Facilitation

Interest in ERDP remains high, although as a result of evidence that some applicants require assistance to develop business plans and submit applications, several partners in the region have jointly funded a pilot facilitation service to assist with applications to the ERDP. This pilot has been extended to Easter 2003 and will be evaluated thereafter. It is likely that some 150 businesses will have been assisted. Linked to this is the Defra funded planning advisory service which provides one day of free advice to applicants who have an eligible Rural Enterprise Scheme application, and a complementary service supported by the North West Development Agency. Work was well advanced at the end of 2002 to introduce a pilot scheme to streamline the application process for smaller Rural Enterprise Scheme and Vocational Training Scheme applications.

24 Cumbria Woodlands (<http://www.cumbriawoodlands.co.uk>)

### Changes in conditions

#### Foot and mouth disease

The impact of the 2001 foot and mouth disease outbreak on the region continued throughout the year. The impact was most severe in the infected areas such as Upper Wensleydale and Craven District where there was a major effect on tourism and business cash flows. Some of the effects on businesses in the region were described in the Government Office Yorks and Humberside sponsored *Report on the Impact of FMD in the Region* (produced by Ecotec, 2001) and the Yorkshire Forward *Rural Futures Report*. The former report suggested a loss of £125m to the rural economy, including 900,000 bed nights. The crisis underlined the vulnerability of the rural economy and emphasised how closely related agriculture is to rural tourism and to the provision of local services. The effect on farm businesses has varied, with most of those culled out restocking. However, confidence in the future of the industry was shaken and many are seeking alternative sources of income to reduce exposure in the future.

#### Leisure and tourism

The value of the environment to the economy of the region has been quantified for the first time in the Yorkshire Forward sponsored report *The Environmental Economy of Yorkshire and the Humber*. The report identifies how the region has 20% of the national total of derelict land and buildings. Nevertheless, the high value landscape supports some 35,000 jobs in environmentally motivated tourism in the region.

The economic value of the historic environment to the rural economy of the region is discussed in the regional chapter of the report *The State of the Historic Environment Report 2002*<sup>25</sup>. The diverse nature of the region is represented by the two World Heritage Sites in Yorkshire and the Humber – Fountains Abbey and Studley Royal, in rural North Yorkshire, and the recently designated Saltaire, in industrial West Yorkshire. Some 9.4 million trips were made to historic attractions in the region in 2001. Nevertheless, the *Monuments at Risk Survey* (MARS) identified the region as having particular problems, with over 80% of earthworks classified as being in the two highest categories of risk, often due to agricultural activity.

Many rural tourism businesses in the region have a short season, because of the upland location and climate, leading to poor occupancy, starving the business of funds for much needed re-investment. Yorkshire Tourist Board and Yorkshire Forward have produced the *Tourism Action Plan* for the region to deliver a strategic agenda for the industry, supported by an £11m injection of funding. This recognises the important role of rural tourism in delivering Regional Economic Strategy objectives.

25 <http://www.english-heritage.org.uk/sher/pdfs/yorkshire.pdf>

## Changes in trends

### The agricultural sector

The Defra funded Askham Bryan College *Farm Business Survey for Yorkshire 2000/2001* was published in February 2002 – too early to show the full effects of foot and mouth disease. Nevertheless, negative Management and Investment Incomes were recorded for the fourth year in succession, with resultant negative returns on capital invested in agriculture. There is every indication that these results will be repeated when the next study is published.

Results from the 2002 Agricultural Census suggest a 4% fall in the workforce over the last year. The influence of foot and mouth disease on these figures requires caution in their interpretation. Nevertheless, the migration of labour from agriculture in recent years has accelerated as farm incomes in the region have fallen, in real terms, to about a third of what they were 30 years ago. Many farmers have restructured their businesses to maintain a 'viable' unit. For others, part time farming involving working off farm, diversification or semi-retirement has been necessary to maintain an adequate income. Alternative employment for farm workers may be found close to the urban centres but there are fewer opportunities in those remote rural areas where agriculture accounts for 15% or more of employment. In addition, the agricultural industry supports many more jobs in ancillary activity, and in some upland areas over 60% of employment is in agriculture, tourism and associated sectors. However, in these remote rural areas the loss of jobs in other industries has often significantly limited the opportunities of those entering the job market.

Yorkshire Forward has commissioned a study by the University of Gloucester on the effects of Common Agricultural Policy (CAP) reform on the region. The study is due for publication in April 2003. Prior to that, LANTRA will run workshops for farmers to help them identify what effect CAP reform could have on their business.

The Ove Arup *Yorkshire Rural Business Survey* found that only a third of rural businesses have used business advice or support to date. Those farm businesses that have sought advice have tended to use specialists, such as the National Farmers Union and the Country Land and Business Association (CLA), or companies such as the Lantra Trust and ADAS plc. When asked about business aims, 55% of agriculture businesses are simply aiming for survival.

### Other sectors

The Forestry Commission's *National Inventory of Woodland and Trees for England and Regional Summary* was published in 2002<sup>26</sup>. The total area of woodland in the region now stands at 92,082 hectares (6% of the land area), an increase of 6,600 hectares since 1980. The relative proportion of broadleaves to conifers increased from 51% to 56%. Nevertheless, woodland cover is still relatively low compared to the average for England (8.4%) and Europe as a whole (36%).

The Forestry Commission and Yorkshire Forward commissioned a specific report for forestry in the region (*Forestry Forward – Yorkshire and The Humber Forestry Foundation Study*) to assess the current state of the industry and to identify opportunities for development. The report highlighted the wide role that trees and woodlands play in the region, particularly in terms of their indirect benefits related to

26 <http://www.forestry.gov.uk>

tourism and economic regeneration. It also highlighted the increasing productive capacity of woodlands, particularly in North Yorkshire, and the need to support and build woodland related industries.

### Other socio-economic changes

The publication of information from the *2001 Census* provides an insight into population changes in the region. Overall the population has grown by 6.6% over the last decade, compared to 9.0% for Great Britain as a whole. Some rural areas, such as East Riding, saw large increases in population over the period (11.9%). However, the population of North East and North Lincolnshire only increased marginally over the decade. Finally, having 3 of the 5 largest population local authorities in the UK located in West and South Yorkshire is evidence of the metropolitan nature of parts of the region.

The Countryside Agency assessed the provision of rural services in the region in 2000, as described in the *Rural Services Survey*, November 2001<sup>27</sup>. Service provision is complex, with some areas better provided for than others. As would be expected, the upland areas of the Dales and North Yorkshire Moors are areas of low population density and relative remoteness in terms of access to services. Nevertheless, the region as a whole has a sizeable proportion of the national total of rural households, especially less affluent ones.

### The rural environment

The Countryside Agency's *State of the Countryside, Yorkshire and the Humber 2001* report highlighted the national decline in farmland birds. The Defra statistical publication *Regional Wild Bird Indicators in England* (June 2002) reports that monitoring of 16 farmland species in the region between 1970 and 1999 showed 12 species in decline and only one increasing. On the other hand, woodland species are generally increasing in the Yorkshire and Humberside region. The Countryside Stewardship arable options, which are primarily targeted at improving farmland bird habitats, have proved very popular. Nearly 250 year 2002 scheme applications included these new options. In addition some upland bird species such as black grouse are benefiting from habitat enhancement under both Countryside Stewardship and the Pennine Dales ESA scheme.

The *Countryside Survey 2000*<sup>28</sup> provided an indication of the changes between 1990 and 1998 in broad habitats in the region. Some valued regional habitats, such as mountain, moor, heath and down, have declined over the period. Other habitats, such as coniferous woodland, have declined, but this is linked to the removal of conifers on certain sites to deliver greater biodiversity benefits through the creation of other habitats such as heathland or broad-leaved woodland. Overall, habitats such as broad-leaved, mixed and yew woodland, all of which are regionally significant, have increased through positive action to deliver the *UK Biodiversity Action Plan*.

27 <http://www.countryside.gov.uk/yorkshirehumber/yhrural.htm>

28 <http://www.defra.gov.uk/wildlife-countryside/cs2000>

## Regional initiatives and developments

### Regional targeting statements

Partners are working to improve the targeting of the ERDP in the region. Project based and agri-environment scheme targeting statements are to be brought together in a single document. The targeting statements are to be focused on delivery of the emerging rural components of each of the four RDA Sub Regional Action Plans, each Sub Region representing a county. Scarborough District Council area has been identified as the rural district in the region with the worst economic performance. However, many other districts have pockets of deprivation that are masked when interpreting the indices of deprivation at ward level. Finally, the targeting statement is to address the regional priorities identified from the *Strategy for Sustainable Farming and Food* and the Rural White Paper *Our Countryside: The Future – A Fair deal for Rural England*.

### Regional Rural Affairs Forum

The *Yorkshire and the Humber Rural Affairs Forum* was established in March 2002<sup>29</sup>. The members have agreed 12 rural priorities for the region and are currently considering the most effective way they can make a difference. Key areas of concern are support for rural business competitiveness/collaboration; food and tourism developments; support for leadership, training and young people; improved access for rural services; the control of flooding; and developing initiatives to harness environmental assets for economic gain. The Rural Development Service are working with the Government Office Rural Director to increase links between the Forum and the ERDP.

### Facilitation

The need has been identified in the region for facilitation services to help rural businesses access funds, including the ERDP. Yorkshire Forward has proposed financial support for a new charity called the *Regional Rural Regeneration Company* (RRRCo). This body is intended to provide a transition from the conclusion of their Rural Development Programme and ensure that small projects are not excluded from Yorkshire Forward's focus on fewer, bigger impact schemes. Both the North York Moors and Yorkshire Dales National Park Authorities have considered how they can help rural businesses in their areas access funding to help deliver their objectives. Finally, Yorkshire and Humber Chambers of Commerce (YHCC) have proposed a *Rural Business Networks* project to employ a peripatetic team of Capacity Building Advisers to provide business support across rural areas.

### Land Management Initiatives

The Countryside Agency is working with partners in the Humberhead Levels Land Management Initiative (LMI), known locally as *Value in Wetness*, to show how existing water and land management systems can be adapted to become more sustainable and to deliver environmental, economic and social benefits. Its main area of activity is developing and piloting a *Positive Water Management* package for land managers in the area.

29 <http://www.goyh.gsi.gov.uk/yhraf>

The North York Moors Land Management Initiative partnership project continues in the Upper Esk Valley. In 2002, action focused on improving links between farmers and the wider rural community; developing the Parish Plan; improving the capacity of local people to be able to contribute to and influence decision making; developing a project to identify an optimum package of incentives for the area; and completing the programme of integrated farm appraisals.

### Public access

The Countryside Agency led the *Your Countryside, You're Welcome* initiative in the region to kick-start public access to the region in the aftermath of foot and mouth disease<sup>30</sup>. One example of the development of access in the region was the official opening of the *Mary Towneley Loop* of the Pennine Bridleway on 23 May 2002. This 47 mile circular route allows access for horse riders and cyclists and is proving a catalyst for sustainable tourism development by rural service providers on or near the route. The Countryside Agency is also working to develop the *Local Access Fora* under the Countryside and Rights of Way Act (2002), and for parts of the region has published definitive maps of open access areas.

### Eat the View

The Countryside Agency has also promoted the *Eat the View* initiative in the region<sup>31</sup>. Regional activities include the establishment of the *Grassroots Food Network*, which emerged from the Calderdale-Kirklees Food Futures Initiative. In South Yorkshire the *Doncaster Local Food Network* is helping bring together farmers and consumers in an Objective 1 area. The regional food group, Yorkshire Pantry<sup>32</sup>, has grown to over 100 members and represents a number of significant food manufacturers in the region.

### Renaissance Market Towns

The role of market towns as '21st century service centres' is being trialed in Yorkshire and the Humber by the Countryside Agency and Yorkshire Forward's *Renaissance Market Towns*<sup>33</sup>. The agencies are jointly funding a community led regeneration programme to provide direct financial assistance to up to 18 towns over a period of six years. Action Plans have already been developed and local partnership administration costs supported in a number of market towns across the region. The Countryside Agency's *Vital Villages* programme has funded a variety of projects in the region to improve access to services for rural people, including the provision of mopeds to young people in rural areas to enable them to get to work or training.

### Demonstration farms

The Government funded pilot network of demonstration farms is to be delivered by the Elite Consortium Ltd. Bishop Burton College, in the East Riding of Yorkshire, will be responsible for the arable component of this project. The college is also to develop a web-based *virtual pig farm* to avoid the potential disease problems associated with visitors coming onto intensive livestock units.

30 <http://www.countryside.gov.uk/yourcountryside/yh>

31 <http://www.eat-the-view.org.uk>

32 <http://www.yorkshirepantry.com>

33 <http://www.countryside.gov.uk/news>



## North Yorkshire Sustainable Woodland Project

The Forestry Commission, along with other funding partners, have supported Yorwoods in developing the *North Yorkshire Sustainable Woodland Project*. This will provide specific targeted support for small woodland owners to enable them to gain certification to meet the UK Woodland Assurance Standard. Market development is also being developed through Single Regeneration Budget funding.

## Other environmental initiatives

A number of projects have emerged throughout the region, particularly in the National Parks, which deliver economic benefits by harnessing environmental assets. In addition, the Regional Development Agency, Craven District Council and the Yorkshire Dales National Park Authority have established a project that aims to deliver economic outcomes based on the environmental qualities of the designated area. The Government Office Rural Director has been co-opted as a member of the steering group, ensuring appropriate links are made with other initiatives, including ERDP.

Defra's Rural Development Service is cooperating with English Nature to pilot an integrated working initiative in the Malham area (North Yorkshire). This pilot project is focused on improving the aftercare service to agreement holders in the Countryside Stewardship and Wildlife Enhancement Schemes.

### Changes to conditions

#### Agriculture

In the East Midlands region depressed commodity prices, coupled with market failure of collaborative farming businesses, has put pressure on an industry trying to adapt to changing market conditions.

During the year the following key events unsettled a nervous industry:

- Viking Cereals, the farmer-owned co-op, entered into receivership, affecting 380 farmer members;
- Amelca, the farmer backed milk processing plant, ceased trading, which affected about 150 producers who had invested around £4.5 million in the plant;
- ARBRE, the renewable energy power station, went into liquidation, leaving growers without a market for their energy crops and forestry waste;
- it was announced that Nestlé milk processing plant at Ashbourne was to close, leaving supplying farmers fighting for better compensation;
- a key livestock market, Northampton, was closed and there were continuing threats to others through the 20-day rule and changing market patterns;
- Midland Meat Packers, the country's largest privately owned slaughter plant, announced a major restructuring programme which could result in closure and the loss of 350 jobs;
- A co-operative abattoir in Lincolnshire, supported by North Country Primestock (the marketing co-op founded by Sir Donald Curry), has closed;
- Potato Brown Rot bacterium was found in the River Witham and Foss Dyke Navigation, with significant implications for future irrigation and spraying of the potato crop in Lincolnshire.

Despite the market setbacks there was strong demand for modernising and building new plant to process and market primary agricultural products in the region. A total of 16 Processing and Marketing grants have been awarded to businesses in the region representing £6.15 million of grant aid. The key product areas supported by the grants are milk (cheese), potatoes, vegetables, flowers, grain, pigmeats, red meats, game and pulses. A total of 1,418 farm/rural businesses will benefit and it is forecast that in total 1,027 jobs will be created or sustained.

Significant co-operation between the agricultural industry and the Lincolnshire Local Government Association has resulted in the Lincolnshire Charter for Agriculture and Horticulture, designed to produce an action plan to respond to the social, economic and environmental challenges faced by the industry. Defra's Rural Development Service also led a partnership that has produced a statement of intent for joint working in the Peak National Park and the Lincolnshire Wolds AONB.

## The rural environment

The East Midland Regional Environmental Strategy is being drafted by the Regional Assembly in an attempt to produce an integrated strategy for the region which will stand alongside the Regional Planning Guidance for the East Midlands (RPG8) and the Regional Economic Strategy. This strategy is currently under consultation and will help form the basis of further targeting of the ERDP agri-environmental schemes in the region.

Environmental agencies and government bodies continue to work more closely at the regional level. The environmental chapter of the Regional Assembly's Integrated Regional Strategy focuses on the need for more 'joined-up' working between agencies and better cross-linkages into sustainable development processes.

In the first year of the new Countryside Stewardship arable options, over 1,300 hectares of arable land were included in CSS agreement offers to benefit farmland birds. This accounted for nearly 20% of the total regional budget available for new agreement offers.

## Changes in Trends

### The agricultural sector

The farm business income trends for "model/average" farms (*Farming in the East Midlands, University of Nottingham*) show some signs of stability, but the effects of the reduction in commodity prices for cereals and milk have yet to be fully reflected. Incomes of similar types and sizes of farms show wide variations due to a combination of factors, including the managerial skills and abilities of the farmer. Restructuring of farm businesses, radical cost cutting, and a move to co-operation amongst farmers, are all likely to be key factors in determining future income levels.

The major Banks and other financial organisations have noticed a real downturn in tenant's capital, and hence less security to fund further business expansion. However many farms – particularly those which are owner occupied – are still "asset-" (and therefore "opportunity-") rich.

Although farm incomes have stabilised they are still at a low base and little money is available to finance large programmes of capital works. Consequently, many existing Countryside Stewardship agreements are having to be amended to scale back the capital works planned 4-5 years ago when farm profits were significantly higher. The current low profitability of farming, coupled with the uncertainty over the mid term review of CAP and the Agri-environmental Schemes Review, is creating an unstable climate where land managers are more likely to wait for further developments rather than commit themselves to 10 year agri-environment schemes. This may have a significant effect on the uptake of Stewardship in 2003 and 2004.

### Leisure and tourism

Rural tourism has shown signs of recovery after the end of the foot and mouth disease outbreak. Several attractions have applied successfully for grant aid under the Rural Enterprise Scheme. A tourism action plan 2002-2005 produced by the East Midlands Development Agency (emda) aims to further develop a quality rural tourism product for the region.

## Other sectors

The Forestry Commission's survey *The National Inventory of Woodlands and Trees*, found that the area of land in the Region covered by woodland has increased by 11,200 hectares (17%) between 1980 and 1998. The total area of all woodlands in the Region now adds up to 78,056 hectares. Woodland now covers 5.1% of the land area, compared to 4.3% in 1980.

The National Forest project continues to deliver rural development and farm diversification through a shift of land use to woodland. The project exceeded its target of 500 hectares of positive land use change in support of woodland creation and associated habitats and rural businesses. Challenge funds for native woodland creation in the Peak District National Park and the Leighfield Forest area continue to attract high quality applications. There is also continuing interest in the use of forest residues, low quality timber and purpose-grown materials as feedstock for new wood fuel and renewables projects.

## Regional initiatives and developments

### Entry Level Pilot Scheme (ELS)

The Policy Commission's report on farming and food proposed the introduction of a new entry level agri-environment scheme. The East Midland Region contains one of the four pilot areas (Market Deeping) where the scheme is being piloted on arable farms (cash crops and combinable crops). The pilot scheme was launched in March 2003.

### Leader +

The three Local Action Groups (Lincolnshire Fenland, Peak Dales and Moorlands and Rockingham Forest) spent much of their first year developing themselves and establishing their processes for generating and evaluating applications. By the end of 2002, four individual projects had been approved, including a project promoting the horticultural industry in schools and colleges, and a festival promoting the pumpkin industry in South Holland. All three Local Action Groups are considering a number of project proposals at present.

### East Midlands Development Agency (emda) Schemes

From April 2002, all emda's former regeneration funding programmes had been combined into the Single Programme and were being administered through the network of Strategic Sub-regional Partnerships (SSPs). SSP coverage across the region was completed in 2003.

Funding is allocated by SSPs according to an annual Business Plan agreed with emda which reflects the delivery of Regional Economic Strategy priorities in each sub-region. These include Enterprise & Innovation, Learning and Skills and Climate For Investment. It is anticipated that this will continue to include support for small rural businesses and farm diversification through the re-use of redundant rural buildings.

### Changes to conditions

#### Foot and mouth disease

Whilst the West Midlands had fewer cases of foot and mouth disease than the worst affected regions, it still resulted in 132 infected premises, which led to around 700 farms being directly affected by the disease. Over 260,000 livestock were slaughtered, representing around 5% of the national total.

Consultants from KPMG were commissioned by the Regional Development Agency (Advantage West Midlands) to evaluate the impact of foot and mouth disease on small rural firms. The study was completed in November 2002 and builds on KPMG's initial survey which was carried out whilst the disease was at its height in the region. At that time it was estimated that, for the region as a whole, around 6,200 jobs had been lost and businesses had suffered a £2.1 billion reduction in turnover. The later report finds that although the effects of the disease were severe, its impact was less than had been originally predicted.

The evaluation included a survey of 857 businesses, the use of a focus group and consultations with key organisations. The results can be summarised as follows:

- 471 jobs were lost;
- £769 million of turnover lost;
- 700 farms were affected;
- Nearly 60% of those businesses that expected or experienced an impact from foot and mouth disease saw a decrease in turnover;
- 15% of respondents say they have not yet recovered from foot and mouth disease;
- Of those that have not yet recovered, just over a quarter will recover within a year, a third will take more than a year, and 15% claim they will never recover.

The report notes that recovery from foot and mouth disease appears to be a long-term process, with anecdotal evidence from the focus group suggesting that it will take at least two years, and up to five years to recover from the economic impact of the disease. Many businesses have taken on more debt in order to cope, and have failed to reinvest. These factors are contributing to the length of the recovery process.

Foot and mouth disease also had a severe effect on the morale of businesses, particularly farmers. The report comments that the provision of social and psychological support seems to have been as important, in helping businesses to cope during the crisis, as financial and technical support.

## Other socio-economic changes

The Regional Development Agency (RDA) and others have established a Rural Skills Development Group. Defra's Rural Development Service joined the group during 2002 when it became clear that there was a considerable risk of duplication of training provision. A consultation procedure has been agreed that facilitates the exchange of information on applications into both the Vocational Training Scheme and RDA funds.

## The rural environment

Parts of the West Midlands are highly rural, particularly in its western and northern periphery, where a combination of upland landscapes and livestock farming result in areas of high environmental quality. On the other hand, the central part of the region is dominated by urban and industrial development and the environment has, over a long period of time, become degraded and impoverished.

There are five Areas of Outstanding Natural Beauty (AONB) wholly or partly within the region, all of which attract large numbers of visitors. Cannock Chase alone, which is the smallest English AONB, draws over 2 million visitors per annum. Such areas represent a valuable resource for the region. However, a number of land management issues continue to need addressing:

- The West Midlands contains 21 of the 26 priority wildlife habitats. Despite this rich resource, the biodiversity of the region is under threat with many species in decline.
- Many traditional hay meadows are small isolated parcels of land. Owners do not have access to the livestock necessary to continue traditional grazing regimes.
- Low environmental land management standards, particularly in relation to SSSIs.
- Soil erosion from agricultural land has been identified as a threat to the future of the environment, particularly the rivers Wye, Lugg and Clun, and the Meres and Mosses in Shropshire.
- Neglect of some woodland has led to the loss of wildlife and lack of regeneration.
- Flooding in lowland river systems (the Severn, Wye, Avon and parts of the Trent) is causing severe problems for rural businesses and communities.

## Changes in trends

### The agricultural sector

Agriculture is still responsible for the management of three quarters of the land area in the West Midlands, but the industry's contribution to the region's GDP has been in decline over a number of years. Even before the impact of BSE and foot and mouth disease, farm incomes in the West Midlands were dropping at a significant rate, particularly in the western part of the region which is mainly livestock orientated.

Structural issues continue to challenge agriculture and the rural economy in the region. These include:

- The small size of some farms, most of which are part-time, family operated units;
- reliance in the region on livestock production;

- an ageing agricultural workforce;
- financial difficulties affecting most agricultural sectors;
- need for both on and off farm diversification;
- increasing demand for housing from newcomers to the region, which has reduced the availability of affordable homes for local residents in some towns and villages;
- the proportion of settlements of more than 750 residents lacking access to core services is 32.1%; this is below the England average of 36.1%

## Regional Initiatives and Developments

### Rural Accord

The formation of Rural Accord (RA) was noted in the ERDP report 2001. RA consists of representatives from Advantage West Midlands (AWM), Government Office West Midlands (GOWM), Defra, the Countryside Agency and the West Midlands Local Government Association. Rural Accord is now in operation and is beginning to provide a framework for the integration of regional rural strategies. A co-ordinator was appointed in the autumn of 2002.

### Rural Regeneration Zone

The rural Regeneration Zone (RZ) in the west of the region covers large parts of Shropshire, Herefordshire and parts of Worcestershire. This is an area for priority investment by AWM. Ten target clusters have been identified that account for approximately one third of the region's employment base and around 40% of employment in rural RZs. Two of these clusters (food and drink; tourism and leisure) are particularly important to rural areas. They also act as a focus for other services and new business growth. Although at this stage there is no attempt to target ERDP on the RZ, some 60% of successful applicants are based within the area.

### Severn-Vyrnwy Land Management Initiative

The Countryside Agency is working with farmers and other stakeholders, through a project officer, to develop mechanisms which will enable land management to deliver a wider range of environmental, agricultural and economic benefits. Work continues to develop a locally targeted agri-environment scheme for the area and the Farm Focus advice service.

### Regional Foods

There are a number of regional food initiatives operating within the region:

- Food and Drink 21 is a Tourist Board initiative designed to encourage accommodation providers, caterers and other tourist operators to source local food. The project is developing an annual round of county-based food and drink awards, the first of which was held during 2002.

- Project Carrot, based at Holme Lacy College, aims to establish a unique European Centre for sustainable land use and agriculture. It aims to promote and be a specialist resource for research and development. The initiative includes a proposal to develop redundant farm buildings as an Organic Enterprise Zone
- Resources are being secured to establish a food-processing centre of excellence at Battlefields near Shrewsbury in Shropshire. This is likely to include assistance for small businesses in the form of incubator units, research and development facilities and business support services.
- Heart of England Fine Foods promotes local speciality food and drink producers. The group has recently obtained funding from the Regional Development Agency that will allow it to broaden its services to include all small food businesses.



### Changes to conditions

#### Socio-economic changes

Many village facilities have continued to decline through a combination of low demand, increased running costs and the expense of implementing certain legislative requirements such as the Disability Discrimination Act.

The reduction in these services has led to increased travelling time, for people living in rural areas, to facilities such as primary and secondary schools, libraries, supermarkets, banks and building societies, job centres, petrol stations and doctors' surgeries. Average distance from these facilities is greater for rural households in the East of England than for any other region in England.

The Norfolk road and rail networks have been improved over 2002. This will have the effect of improving economic opportunities for many rural businesses. The market towns of Attleborough and Wymondham and their hinterland are seeing an increase in opportunities as a direct result. This improvement in infrastructure has the knock on effect of increasing housing prices through the creation of commuter villages.

There has been a growth in the number and type of local transport initiatives in rural areas over 2002. These initiatives range from motorcycle training to taxi voucher schemes.

In 2002, there were substantial differences in rural district house price averages ranging from £77,214 (Fenland) to £199,690 (Uttlesford) and 'hot spots', notably Hertfordshire and the Cambridge sub-region. These areas have experienced some of the greatest house price rises in the country. It has led to an increase in the need for affordable housing.

#### The rural environment.

The State of the Countryside 2002 report (Countryside Agency) states that at the beginning of 2002, almost two thirds of all SSSIs in the East of England were in a 'favourable' condition (the highest figure for any English region), whilst 78% were in either a 'favourable' or 'unfavourable recovering' condition. There was significant variation in the condition of SSSI broad Biodiversity Action Plan (BAP) habitats. For example, 100% of bogs and 81% of lowland woodland broad BAP habitat were recorded as 'favourable' or 'unfavourable recovering', while only 5% of rivers and streams broad BAP habitat were classified in this condition.

The rolling review of consents for agricultural abstraction licenses continued and will be completed in 2004. The review, until completed, leaves many growers uncertain whether their licenses will be revoked entirely or whether a manageable cut in the licensed volume will be the result. Resistance to large capital expenditure on water resource management projects has been the result.

## Changes in trends

### The agricultural sector.

Farm business profitability is being helped through increasing returns from non-farm activity. Up to 60%<sup>34</sup> of farm income is now coming from Off Farm activity. Most of this non-farming income on Norfolk Arable Land Management Initiative (NALMI) farms was through rented accommodation – either cottages (residential not holiday) or business lets. A large proportion of these NALMI farmers have stopped investing in improvements to farm cottages.

Two of the counties within the region (Essex and Suffolk) have established regional information hubs for rural businesses. These hubs are aiming to improve information flows to rural businesses. The hubs are being led through the county Business Link teams but with strong support from local partner organisations.

Agricultural Development in the Eastern Region (ADER) have been working with farmers on diversification. Over 2001 and 2002 ADER have worked with over 2,000 farmers on different aspects of diversification.

64% of cropped land in the East of England is used for growing cereals, of which 69% is wheat. Due to the large proportion of wheat grown in the East of England the effect of the cheap imports from the Black Sea has been felt disproportionately in comparison to the rest of England.

A disappointing year in terms of potato profitability is likely to result in production becoming further concentrated with smaller and less technically able growers exiting the sector. This will be exacerbated by the general trend for land to be farmed by fewer, larger operators.

Beef, sheep and dairy numbers continue to decline across the region. This downturn in livestock numbers is continuing to have a detrimental effect on the environment in traditionally grazed areas such as the Norfolk Broads, and is leading to knock on effects with some land being offered at zero rents. Despite the falling numbers of livestock across the region the Norwich cattle market has been able to reopen after foot and mouth disease. The livestock 20-day movement restriction has resulted in an increase in production costs, especially for units that use high numbers of store cattle and hired-in bulls.

The number of farmers markets increased to 40 across the region during 2002. Many existing farmers markets are also expanding as their popularity grows. Pressure has been placed on these markets through a number of visiting European markets. This has resulted in problems for markets such as the Norwich Farmers Market, which had to move to make way for the council-sponsored French market.

There has also been an increase in the number of farm shops across the region. The regional food group Tastes of Anglia has experienced between 5 and 10% increase in the number of members with farm shops in 2002. This increase is reflected in the numbers of applications received for ERDP RES funding for farm shop developments. Market research carried out by NALMI suggests that there is a great demand across the

34 Anderson's Outlook, 2003, Anderson's. Taken from the Inland Revenue

region for fresh local produce, but not necessarily for organic produce. One area which farm shops need to improve on is publicity and promotion: essential to raise their visibility.

## Leisure and tourism

Rural tourism generally appears to have recovered following foot and mouth disease, in many cases rising to or exceeding pre-2001 levels. UK residents took 2 million trips<sup>35</sup> to rural areas of the East of England during the first three quarters of 2002. This demonstrated an increase of 43% on the previous year and 5% on 2000. Spend was also up. In 2002 spend for the first three quarters of the year was up 56% on the previous year and 29% on 2000 levels.

Occupancy rates for self-catering holiday units for the first 3 quarters of 2002 have demonstrated a year on year improvement of 3%. This is a regional trend and includes urban areas. There is insufficient data to assess solely rural self-catering units but the percentage rise is thought to be higher than in the urban areas.

Local rural tourism marketing groups such as Stay on a Farm are developing innovative marketing ideas to attract more visitors.

Tourism in the Norfolk Broads has received support during 2002 through the introduction of a tourism development officer, resulting in the development of a tourism forum, aiming to improve the quality and the communication between all the tourism operators in the National Park.

## Other sectors

The domestic timber industry continues to suffer from low raw material prices and the availability of cheap imports. Businesses were surveyed during 2002 for the Forestry Commission. Private woodland owners typically anticipate static or deteriorating prospects.

A survey of trends in demand for wood products sold in garage forecourts, garden centres, farm shops and DIY centres in the East of England Region was carried out during 2002 for the Forestry Commission. Regional annual sales are shown to have reached £23.7 million and there is a year on year growth increase in value of 9.1%.

## Regional Initiatives and Developments

### Water resources

The Catchment Abstraction Management Strategy (CAMS) initiative continued in 2002 to cover more catchments in the region. The process was started in North Norfolk, Northwest Norfolk and the Upper Lee last year. The initiative should be completed for all the catchment areas by 2006.

<sup>35</sup> A trip is classified as "any stay away from home of 1 night or more".

With the strategic use of water resources playing such a vital role in the region, Defra's Rural Development Service has made arrangements to meet with the National Farmers' Union and the Environment Agency every three months to discuss, among other things, ways of promoting the Rural Enterprise Scheme water resources measure.

### Agriculture and Food Processing Group

An Agriculture and Food Processing Group consisting of industry and public sector agencies is being established by the East of England Development Agency. This group will be split into two areas, one for small to medium enterprises and the second for large enterprises. The aim of this group is to improve integration and drive strategic policy in food processing.

### Rural Renaissance

The East of England Development Agency and Barclays Bank ran a series of county-based *Rural Renaissance* seminars, providing an opportunity for the Rural Development Service to promote ERDP schemes, in particular the rural economy ones.

### Agricultural Development in East Region (ADER)

ADER was created to permanently change the business support, education and training network of the region, to:

- ensure coordination between all public sector providers working with agriculture;
- change the culture of the support providers to make them more market led;
- make a real difference to businesses by providing a single route into the mix of training, education and business support enabling them to progress their businesses.

The ADER project is supported by the East of England Development Agency and covers all six counties of the region. It is managed by Whittle College on behalf of a consortium of public and private sector providers of business support, advice and training. It is also supported and promoted by industry groups such as the National Farmers' Union, the National Pig Association, the Country Land and Business Association, Tastes of Anglia, and others.

### Changes to conditions

#### The rural environment.

Applications for the Countryside Stewardship Scheme have shown an increasing trend of landowners wishing to undertake arable reversion as an option for improving the performance of their business. There is increasing concern in some areas (for example, the South Downs) about lack of grazing livestock, and this is being addressed by partners in the region. Taking a holistic approach to land and flood management is a new development, and discussions are already underway in some areas involving Defra, English Nature, the Environment Agency and Local Authorities. Two major industrial proposals that could affect large sections of the North Kent Marshes are currently creating much concern amongst landowners and conservationists in that area.

As a result of the Countryside and Rights of Way Act 2002 (CROW), local access forums are being established in the region and there is an increased emphasis on strategic land management of valued landscapes (for example, Areas of Outstanding Natural Beauty) through joint action. The CROW Act has caused concern amongst many landowners.

### Changes in trends

#### The agricultural sector

Farm incomes have continued to be under pressure. Analysis of farm accounts indicates that there is still a very wide variation in physical and trading performance across farms of a similar type. It is also noticeable that many farms are now deriving a substantial proportion of their income and profit from non-farm sources. However, a large number of farms appear to be unable to make improvements in their businesses for a number of reasons including lack of skills, insufficient opportunity, lack of resources or inability to identify how to respond to their situation.

#### Leisure and tourism

The leisure and tourism sectors are substantial and very active in the South East. These sectors offer many business opportunities for rural businesses, and conversions of redundant farm buildings for tourism and leisure ventures form a significant proportion of the applications for support from the Rural Enterprise Scheme.

#### Other sectors

A shortage of skilled construction workers in the region is delaying progress on some ERDP projects. More generally, there is considerable sub-regional variation in the level of skills and access to training, particularly in more isolated areas.

## Regional Initiatives and Developments

### Entry Level Pilot Scheme (ELS)

The Policy Commission's report on farming and food proposed the introduction of a new entry level agri-environmental scheme. The South East Region contains one of the four pilot areas (Mortimer) where the scheme will be piloted on mixed farms. This pilot scheme was launched in spring 2003.

### The Woodland Sector

The Forestry Commission published a new survey – the *National Inventory of Woodland and Trees* – for the South East of England during 2002. The main points from the survey are:

- The south east remains the most wooded region in England and is 14% wooded – up 33% since the war. The total now stands at 270,000 hectares.
- Within this, the most wooded county in England remains Surrey (23%) with Sussex and Hampshire close behind.
- Broadleaved species account for about 85% of the area and conifers around 15%. The most common tree is still oak, but ash and birch are on the increase whilst beech is in decline.
- Coppice systems have massively declined over the last fifty years but thanks to new targeted grants their area is recovering.
- Ancient Woodland accounts for about half the total area. Over 40% of the England total is in the south east, much of it however not managed and in fragmented ownership.

The domestic timber industry continues to suffer from low raw material prices and the availability of cheap imports. Businesses were surveyed during 2002. Overall, just under two-thirds of respondents to the survey expressed the view that their business performance would remain about the same during the next three years, with about one-fifth expecting an improvement and one-sixth a deterioration.

Each English region has the opportunity to develop its own *Regional Forestry Framework*. The South East of England has begun this process with regional partners and funding support from the South East of England Development Agency (SEEDA), English Nature and the Countryside Agency. A major pilot scheme (*Woodland Welcome*) to provide increased and improved access near towns has been trialed in the region.

### South East Areas of Outstanding Natural Beauty (SE AONB) – Sustainable Tourism Project

The SE AONB Sustainable Tourism Project is co-funded by the Countryside Agency, SEEDA, and the regional Tourist Boards. The Project began on 2 January 2002. Close working links have been created with Defra concerning ERDP and how it can be utilised in the AONBs. The main areas of activity and progress have been:

- The appointment of a Project Officer for the High Weald and Kent Downs AONB;

- The development of tourism networks in the High Weald, Kent Downs and South Downs;
- The development of tourism policies for Management Plans in the Kent Downs, Surrey Hills, East Hants, Sussex Downs and Chichester Harbour;
- The audit and mapping of tourism services/facilities in the ten AONBs in the South East;
- The development of an AONB Information Pack for tourism businesses in AONBs;
- The development of an AONB Awareness Training Course for the tourism industry;
- The development of a training course in the sourcing and preparation of local produce.

## Rural Communities

The South East Rural Community Councils report widescale activity with the Countryside Agency *Vital Villages* programme, Parish transport Plans, the appointment of Community Development Workers (who address social exclusion) and Housing Enablers (who facilitate affordable housing).

## Farm Business Advisory Service (FBAS)

In November 2002 the Rural Business Unit, University of Cambridge, published their report *Study of the Farm Business Advisory Service*. The report indicated that the South East FBAS is performing higher than average in many aspects of delivery.

South East FBAS advisers report that low farm incomes remains the single most important issue, and that many farmers who need to find alternative sources of income are often inhibited by lack of skills and confidence in exploring enterprises that are largely unknown to them.

## Countryside Agency

The State of the Countryside 2002 report indicated the following for the South East:

- An increasing proportion of the population are choosing to live in the rural districts of London and the South East;
- Despite an older age profile than in urban areas, the under 15 age group is the highest of any English region;
- The rural population is relatively well educated: the proportion of those of working age with NVQ level 3 or above is well above the English average for rural areas;
- Rural business made up almost one third of all businesses in rural England and there has been growth in the overall rural business stock.

## Future of Farming and Food

A stakeholder conference was held in the region at Epsom racecourse at the beginning of May 2002, to feed into the national preparation of a Farming and Food Strategy. Stakeholder feedback is also being used in the development of a regional delivery plan to be produced in 2003.

## Regional partnership working

There has been an increased and improved level of partnership working in the region e.g. through SEEDA's rural development committee and the Regional Assembly's Rural Advisory Group.

## LEADER +

Local Action Groups are up and running on the Isle of Wight, Mid Kent, the New Forest, Wealden and Rother and West Oxfordshire. These have already set up their organisation structures (for example, appointment of project officers, identification of partners, and a small number of projects are underway).

## National Parks

Consultation on the designation of two national parks in the region (New Forest and South Downs) has progressed. The New Forest is to have a public enquiry and a Designation Order for the South Downs has been made.

## Abattoirs

Regional organisations and the farming industry are focusing on support to the alternative meat market through local supply chains, rather than larger abattoirs.

## Planning and diversification

A number of regional organisations have been working together to promote the understanding of planning and rural diversification issues in the region, and have commissioned research to produce good practice case studies and assist policy development in this area (e.g. through Regional Planning Guidance).

## Skills and Training Initiatives

A seminar was held by regional partners for a range of groups (for example, Learning and Skills Councils, agricultural colleges) to address issues relating to skills and training in rural areas. An action plan has been developed and there are some specific projects in the pipeline (for example, establishing training 'outreach' centres and demonstration farms).



## Support for the rural economy

With SEEDA's new Regional Economic Strategy review and Defra's new Public Service Agreements, there is discussion about how to focus support to raise the economic performance of poor performing rural areas, such as the Isle of Wight and Rother District.

## Planning for sustainable rural economic development

Research<sup>36</sup> has recently been completed on planning for sustainable rural economic development in the South East and it has provided a range of good practice examples of both farm diversification and other types of enterprise within the rural sector. The main objectives of this research were to:

- inform the development of planning policies for the rural economy in the South East, by collecting and analysing examples of rural enterprise in the region;
- encourage sustainable development in the rural economy by providing examples of best practice and potential solutions to practical problems.

The research was undertaken on behalf of the Regional Assembly's Rural Advisory Group and was co-funded by a number of partners (Countryside Agency, Defra, Government Office for the South East, Office of the Deputy Prime Minister, SEEDA, and the South East of England Regional Assembly).

Detailed analysis of the database of case studies collected in this project showed that planning has not been the major constraint on rural economic development. In some cases, however, planning controls have been an issue especially where major traffic generation was anticipated or where residential accommodation was included. The analysis identified some key features of success in developing sustainable rural businesses, as well as some barriers. These included:

### Features of success

- personal motivation and drive – entrepreneurship
- people skills and acquisition of new skills
- careful research and business planning
- taking a long term view and working to a clearly defined market
- the right location and good design/siting of the development
- co-operative working

### Barriers to success

- time and energy
- regulatory controls and administrative pressures
- business rates and narrowing profit margins

<sup>36</sup> Further information on the research findings and the example case studies can be obtained from: The Rural Team, Government Office for the South East, Bridge House, 1 Walnut Tree Close, Guildford, Surrey GU1 4GA. Telephone 01483 884853.

- attracting suitable labour and lack of affordable housing
- lack of appropriate infrastructure
- market competition

The research has also helped to identify the sorts of location that may be best suited to different types of diversification within the South East.

### Stress information network in the South East

The region is well served by a network of county based rural support groups and a wider partnership including Farming Help colleagues, Farm Crisis Network, RABI and Samaritans. During the year the RSIN have brought partners together for workshops and discussed Countrywatch, rural outreach, social inclusion, economic and tourism strategies, LEADER+ and young peoples' future in the countryside. Links with Rural Development Service staff, Defra's Regional Consultation Group, Government Office South East, the Farm Business Advice Service and the South East of England Development Agency have been strengthened. They have been seeking to address the needs of the next generation, with better links to land-based colleges, the region's affordability gap and rural housing, especially for the young and those seeking to retire from farming and rural businesses, and reaching out to those reluctant to come forward for help.

### Biomass Fuels

SEEDA have appointed a Biomass Fuels Facilitator. The Department for Trade and Industry (Dti) Bio-Energy Capital Grants scheme has been promoted in the region alongside the Defra energy crops scheme. There is an expectation of installing 200 wood fired heating plants in the South East over the next 5 years. The £10 million Dti Clear Skies Initiative aims to give homeowners and communities a chance to become more familiar with renewable energy by providing grants and advice. Homeowners can obtain grants between £500 to £5,000, whilst community organisations can receive up to £100,000 for grants and feasibility studies. Community groups can receive advice through the Community Renewables Initiative or Renewable Energy Advice Centres. The Countryside Agency promoted the Countryside Renewables Initiative which aims to help groups and individuals realise that renewable energy can form part of the regeneration of places – from remote rural areas to market towns, farmed landscapes to villages, and even cities and their edges.

### Changes to conditions

#### Foot and mouth disease

The South West was one of the regions worst hit by foot and mouth disease. The number of farm businesses directly affected (approximately 6,000 farms were subject to Form D movement restrictions) far exceeded those 1,400 which actually had livestock culled out. The tourism and leisure sectors in the region also suffered: the region as a whole depends on a very high level of tourism actively underpinned by the high environmental quality of its rural areas.

Businesses affected by stock management control continue to struggle and a proportion of farmers have left the industry. Some livestock markets such as Gloucester Market, have failed to re-open.

#### Other socio economic changes

There are approximately 1,600 village halls in the South West Region. A survey at 16 August 2002 identified 224 (16%) of halls known to be in need of work, requiring between £23 and £33 million grant aid. As there is a serious shortfall in local grant funding, several applications have been made for assistance from the Rural Enterprise Scheme. Those which are successful bring something additional to the community rather than direct repair/refurbishment work.

#### The rural environment

At the beginning of 2002 just over 44% of all SSSIs in the South West were in a 'favourable' condition (The State of the Countryside 2002 report, Countryside Agency). However, almost a quarter were classified as 'unfavourable declining', the highest proportion for any region. There was significant variation in the condition of SSSI broad Biodiversity Action Plan (BAP) habitats. For example, 86% of standing water and canals broad BAP habitat were recorded as 'favourable' or 'unfavourable recovering', while only 20% of upland acid grassland broad BAP habitat were classified in this condition.

The National Biodiversity Network (NBN) is being set up to increase access to biological information, sourced from Local Record Centres, for informed decision-making. Working with the NBN South West pilot, the Rural Development Service are assessing and trialing the application and added value of BAP habitat and species data for agri-environmental scheme evaluation in Cornwall and Somerset.

Rural Development Service specialists and advisers have set up an informal mechanism to measure the contribution that agri-environment schemes (both new agreements and renewals) are making to UK BAP habitat targets and the historic environment in the South West. The results will make the link between the delivery of our schemes and their environmental outcomes.

The South West contains 7 Environmentally Sensitive Areas (ESAs), of which 224,900 hectares are under ESA agreement with 4,513 agreement holders. A further 292,954 hectares of the region is under Countryside Stewardship (CSS) with 3,219 agreement holders. The Avebury and Stonehenge landscapes were designated as a World Heritage

Site in 1986. To help protect the wealth of features, a Countryside Stewardship Special Project has been developed in partnership between Defra, English Heritage and the National Trust. The first applications which give enhanced payments in these areas were approved in 2002.

## Changes in trends

### The agricultural sector

The South West is the largest region with nearly 20% of England's agricultural land. The farm size distribution in the South West has a comparable profile to the national picture. However, it does have a greater proportion of smaller farms and fewer farms over 100 hectares.

The pace of restructuring within the industry has been gaining momentum over the last few years with a significant amount having already taken place. Most has been in the form of farm expansion, spreading labour and machinery costs over a larger area and therefore reducing the unit costs of production. The arable sector continues to take on many innovative business arrangements with an increase in the number of stubble-to-stubble contracts, increased use of machinery rings, expansion of farm business tenancies and more co-operative use of labour and machinery.

The general trends and performance experienced by UK agriculture will have been mirrored by farming businesses in the South West of England. Low levels or the absence of profitability continue to be faced by the majority of farmers and restructuring of the industry looks set to continue.

The opening in 2002 of United Milk at Westbury in Wiltshire is seen as a way of dairy farmers taking control of their market. Its aim is to deal with about 5% of UK milk (800 million litres) and produce 75 Kt of skimmed milk powder and 40 Kt of butter. This farmer-controlled business could have a positive impact for its members and dairy farmers within its catchment area.

Key issues to be addressed in the South West under the ERDP are diversification of agricultural activities, collaboration and co-operation, setting up relief farm services, improved marketing, businesses linking people, products and places including tourism and supporting rural communities.

The demand for Rural Enterprise Scheme funds is strong: 337 applications have been received. A wide variety of projects have been approved, from the conversion of buildings to offices and quality holiday accommodation, to developing farmers markets and labour and machinery rings, to supporting a village heritage centre. A number of collaborative ventures have been developed under the schemes.

Training funded by the Vocational Training Scheme has been very diverse, ranging from marketing to organic farming courses.

### Leisure and tourism

This important sector in the South West has a particular focus in the ERDP project based schemes' Regional Targeting Statement for 2002.

Through the ERDP, encouragement is given to the provision of high quality tourist accommodation and recreation/leisure pursuits in rural areas as encouraged in the Tourism Strategy for the South West. Upgrading of existing facilities and operator skills including marketing, business management, and customer care skills is also supported. 26% of applications received are under the 'encouragement for tourist and craft activities' measure.

The rapid increase in the development of farm based self catering accommodation in the South West, along with high existing capacity in the coastal resorts and competition from low cost foreign holidays, have led to tourist capacity often exceeding demand. This suggests that in general provision of more 'average' farm based tourist accommodation is not the answer to farm diversification. There are however niche markets, which can be developed in relation to high quality facilities, disabled, speciality holidays and those which provide a broader experience linking other tourist attractions. The high quality of the environment and pressures caused by tourism and leisure pursuits give rise to environmental impacts which may need to be addressed.

In December 2001, 155 km of the Dorset and East Devon coast was designated by UNESCO as a World Heritage Site. The ERDP potentially has an important part to play in maximising the many environmental, economic and social opportunities in the Heritage Coast hinterland.

## Other sectors

While home prices for timber have declined some 30%-50%, the demand for new planting grants continues to increase. Some 1,300 hectares is planted annually under the Woodland Grant Scheme, which is approximately 25% of the woodland planting in England. Of this, approximately 1,150 hectares qualifies for the Farm Woodland Premium Scheme which is 36% of the England total and shows that the majority of land being planted is former agricultural land.

The South West Forest Partnership has had an application approved under the Vocational Training Scheme to deliver training in countryside management, and under the Rural Enterprise Scheme to help South West Forest enhance its environmental advice to land managers in the area.

An independent report commissioned by the Forestry Commission and the South West of England Regional Development Agency examined and evaluated the overall contribution that woodlands and forestry make to the South West regional economy. This included the value of non timber use such as recreation and tourism woodland which covers about 9% (212,000 hectares) of the South West. A summary of economic benefits shows that whilst income from traditionally viewed timber production and processing accounts for around £200 million per annum, tourism, recreation and other directly measurable economic benefits account for an additional £300-£375 million per annum.

## Regional Initiatives and Developments

### ERDP workshops

The Government Office in conjunction with the Rural Development Service have delivered 7 joint workshops throughout the Region to potential project based scheme applicants. Each of these was well attended.

The Government Office for the South West has also produced a document "Funding Sources for Rural Development in the South West" which sets out the multiplicity of grant funding available for rural development in the South West.

## Food Procurement

The Defra team in Government Office South West (GOSW) took the lead in initially pulling together key regional partners to address the issue of public sector procurement of local food. GOSW, together with regional partners, organised a series of two seminars. The first of these aimed to help with local sourcing of food and to learn from those across the region who are already procuring food locally. The second provided a forum for procurement officers to discuss public sector requirements with local food businesses. A follow up forum, the South West Procurement Group, carries on the work of local food procurement, and the RDA have funded the South West Local Food Partnership to research best practice examples for wider dissemination.

## Sensational South West Food and Drink

Following research funded by South West Regional Development Agency, Local Authorities, Countryside Agency, Food from Britain and Taste of the West, it was established that there was a need for the development of a regional trade organisation to promote and develop a vibrant, professional food industry in the South West of England and enable it to meet the requirements of players throughout the supply chain. The Defra team within Government Office South West have been involved with the establishment of a self sufficient industry body – *Sensational South West Food and Drink (SSWFD)*. During the set-up phase, funding has been secured from the South West RDA and Defra's Agricultural Development Scheme. There are already a number of sector groups in place, such as the Red Meat Cluster, and plans are being developed for the early establishment of the remaining sector cluster groups.

## Entry Level Pilot Scheme (ELS)

The Policy Commission's report on farming and food proposed the introduction of a new entry level agri-environment scheme. The South West Region contains one of the four pilot areas (Tiverton) where the scheme will be piloted on grassland farms. This pilot scheme will be launched in March 2003.

Table 1: INDICATIVE MEASURES AND INDICATORS (from Annex VII of the ERDP):

Measure	Key indicators	Targets	Achievements in 2002	Cumulative up to end of 2002
<b>Investment in Agricultural Holdings:</b>				
i) Energy Crops (Miscanthus)	<ul style="list-style-type: none"> <li>area (ha) under miscanthus</li> <li>tonnage of biomass produced</li> <li>carbon emissions saved (tC)</li> <li>energy derived from miscanthus (mGJ)</li> </ul>	5,000 64,000 9,980 – 43,920 1.0	51ha N/A N/A N/A	51ha N/A N/A N/A
ii) Rural Enterprise Scheme – Agricultural Diversification	<ul style="list-style-type: none"> <li>Number of projects assisted</li> <li>Number of FTE jobs created</li> </ul>	500 400	167 330	200 550
<b>Training</b>				
	<ul style="list-style-type: none"> <li>number of training days</li> <li>number of training courses/workshops</li> <li>number of qualifications obtained</li> </ul>	48,000 2,400 5,000	13,959 2,373 2,368	35,109 3,530 3,950
<b>Less Favoured Areas:</b>				
(i) Hill Livestock Compensatory Allowance 2000 Scheme	<ul style="list-style-type: none"> <li>Relative position of Net Farm Incomes in the LFA and non-LFA</li> </ul>	Compensatory allowance not to exceed relative difference in incomes	N/A (scheme closed)	N/A

Measure	Key indicators	Targets	Achievements in 2002	Cumulative up to end of 2002
<b>Less Favoured Areas:</b> (ii) Hill Farming Allowance Scheme (2001-2006)	<ul style="list-style-type: none"> <li>Relative position of Net Farm Incomes in the LFA and non-LFA</li> </ul>	Compensatory allowance not to exceed relative difference in incomes	The average net farm income (NFI) of LFA cattle and sheep farms in England was 53% of the average NFI for all farm types in 2000/2001 and 59% in 2001/2002.	N/A
	<ul style="list-style-type: none"> <li>Area (ha) attracting basic HFA payment</li> </ul>	No decrease in 1.4m ha. normally declared, relative to decrease in non-LFA UAA	Total area claimed as LFA forage area for HFA in 2002 was 1.37m ha.	N/A
	<ul style="list-style-type: none"> <li>Area (ha) attracting enhanced payments for sustainable management</li> </ul>	Year-on-year increase in area attracting enhanced payments	The area which received enhanced payments in 2002 was 1.2m ha.	N/A



Measure	Key indicators	Targets	Achievements in 2002	Cumulative up to end of 2002
<b>Agri-Environment:</b>				
(i) Countryside Stewardship Scheme	<ul style="list-style-type: none"> <li>• area (ha) and characteristics of land and features under agreement, in relation to nationally and regionally targeted landscapes and features, including:               <ul style="list-style-type: none"> <li>→ meadows, pastures and rough grazings</li> <li>→ moorland</li> <li>→ lowland heath</li> <li>→ coastal land and habitats</li> <li>→ field boundaries and margins</li> <li>→ arable land</li> <li>→ historic landscapes and features</li> </ul> </li> </ul>	<p>To increase the number of agreements and area under agreement annually.</p> <p>For each additional £1m: Additional 4,300 ha. under agreements;</p> <p>Additional 700 ha. arable field margins;</p> <p>Additional 350 km hedges, stone walls etc.</p> <p>Successful implementation of regional targeting strategies</p>	<p>(provisional)</p> <p>3,296 new agreements covering 119,000 ha; total cost £20.1m</p> <p>5,458 ha under agreement</p> <p>854 ha of arable field margin</p> <p>319 km of hedges etc</p> <p>N/A</p>	<p>(provisional)</p> <p>7,888 new agreements covering 304,000 ha; total cost £50.6m</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>
	Amount of new access provided		571 km	1,700 km

Measure	Key indicators	Targets	Achievements in 2002	Cumulative up to end of 2002
<b>Agri-Environment:</b>				
(ii) Environmentally Sensitive Areas Scheme (22 Schemes)	<ul style="list-style-type: none"> <li>area (ha) and characteristics of land and features under agreement</li> </ul>	<p>To maintain at least the current area of land under agreement.</p> <p>To meet the environmental objectives and targets set for each ESA.  <i>(Each ESA has a set of environmental objectives which reflect the aims of each management tier. Each objective has a set of published uptake indicators and targets)</i></p>	<p>449 new agreements covering 52,577 ha</p> <p>To be reported as part of the 2003 mid term review of agri-environment schemes</p>	<p>1,419 new agreements covering 116,506 ha</p> <p>N/A</p>
(iii) Organic Farming Scheme	<ul style="list-style-type: none"> <li>area (ha) converted and converting to organic production per year</li> <li>number of beneficiaries (per year)</li> </ul>	<p>45,000</p> <p>650</p>	<p>19,563</p> <p>273</p>	<p>79,186</p> <p>1,083</p>

Measure	Key indicators	Targets	Achievements in 2002	Cumulative up to end of 2002
<b>Processing and Marketing</b>	• number of jobs created and safeguarded	2,200	860	2105
	• number of projects assisted	370	52	79
	• number of collaborative marketing ventures supported	100	10	17
	• number of novel outlets created	45	36	36
	• number of projects involving increase in amount of locally produced/sourced raw material purchased	288	20	40
	• number of projects resulting in reduced pollution emissions, energy and water use, and waste production	20	0	8
	• number of new products brought to market	70	39	50
	• number of collaborative marketing groups helped to merge or form federal structures, resulting in improved marketing	7-14	0	1
	• number of assurance schemes assisted	7-14	1	1

Measure	Key indicators	Targets	Achievements in 2002	Cumulative up to end of 2002
<b>Forestry:</b>				
(i) Woodland Grant Scheme	• area of new woodland (ha) planted with grant aid	30,000	5,074	13,764
	• area of new woodland (ha) under approved management schemes	300,000	28,330	109,585
(ii) Farm Woodland Premium Scheme	• area (ha) of new woodland planted	21,000	4,732 (approved for planting)	11,628 (approved for planting)
	• arable land area (%)	40%	48%	50%
	• improved grassland (%)	50%	40%	43%
	• broad leaf planted area (Ha.)/ conifer planted area (Ha.)	4:1	20:1	11:1
(iii) Energy Crops – Short Rotation Coppice	• area (ha) under short rotation coppice	16,700	160	394
	• tonnage of biomass produced	215,000	N/A	N/A
	• carbon emissions saved (tC)	33,420 – 147,040	N/A	N/A
	• energy derived from short rotation coppice (mGJ)	3.3	N/A	N/A

Measure	Key indicators	Targets	Achievements in 2002	Cumulative up to end of 2002
<b>Rural Enterprise Scheme:</b>				
(iii) Setting up of farm relief and farm management services	• number of businesses benefiting	701	1,111	1,812
	• number of jobs created/sustained	277	83	104
	• rural area served by farm relief and other services (sq km)	202,714	4,515	24,105
(iv) Marketing of quality agricultural products	• number of businesses participating	2,037	2,208	2,794
	• number of jobs created/sustained	1,154	203	454
	• increase in annual value of marketed products (% or £k)	5 – 10%	£2.6 million	£5.3 million
	• number of quality products marketed	1,485	465	569
	• number of collaborative projects	303	70	150
(v) Basic services for the rural economy and population	• number and type of beneficiaries	126,857	4,904	5,275
	• number of services supported	127	21	25
	• type of services supported	13	N/A	N/A
	• number of ICT projects supported	92	1	2

Measure	Key indicators	Targets	Achievements in 2002	Cumulative up to end of 2002
<b>Rural Enterprise Scheme:</b>				
(vi) Renovation and development of villages and protection and conservation of the rural heritage	• number of beneficiaries	146,178	2,239	13,460
	• number of village initiatives	200	0	48
(vii) Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes	• number of new enterprises supported	1,247	33	123
	• number of jobs created/sustained	1,033	99	1,424
(viii) Agricultural water resources management	• number of businesses supported	176	23	27
	• area (Ha) of land made irrigable	8,562	0	719
	• environmental impact: contribution to increased summer water levels in rivers or aquifers (i.e. volume of abstracted water replaced)	13	N/A	5
(ix) Development and improvement of infrastructure connected with the development of agriculture	• number of businesses benefiting	405	18	29
	• number of jobs created/sustained	303	75	123

Measure	Key indicators	Targets	Achievements in 2002	Cumulative up to end of 2002
<b>Rural Enterprise Scheme:</b>				
(x) Encouragement for tourist and craft activities	<ul style="list-style-type: none"> <li>• tourism/craft enterprises supported</li> <li>• number of jobs created/sustained</li> <li>• number of (quality assured)farm/rural bed places created/improved</li> <li>• number of tourist day-visits per annum</li> <li>• number of new rural craft practitioners created</li> <li>• number of projects to facilitate public access</li> <li>• number of visitor management plans</li> </ul>	<p>1,550</p> <p>1,044</p> <p>2,720</p> <p>861,000</p> <p>367</p> <p>338</p> <p>44</p>	<p>471</p> <p>243</p> <p>288</p> <p>203,251</p> <p>0</p> <p>20</p> <p>0</p>	<p>535</p> <p>384</p> <p>680</p> <p>583,251</p> <p>118</p> <p>70</p> <p>58</p>
(xi) Protection of the environment in connection with agriculture, forestry and landscape conservation as well as with the improvement of animal welfare	<ul style="list-style-type: none"> <li>• number of projects supported</li> <li>• area (Ha.) of land protected</li> <li>• number of projects benefiting animal welfare</li> </ul>	<p>373</p> <p>13,053</p> <p>91</p>	<p>23</p> <p>0</p> <p>1</p>	<p>28</p> <p>33</p> <p>1</p>

**Table 2: Indicative Priority Level Impact Indicators and Targets (extracted from Section 7 of the ERDP)**

PRIORITY A Rural Economy Creation of a productive and sustainable rural economy					
Objective	Impact indicators	Impact Targets	Achievements in 2002	Cumulative up to end of 2002	
<p>To assist projects which contribute to:</p> <ul style="list-style-type: none"> <li>• more diverse and competitive agricultural and forestry sectors</li> <li>• the creation of new jobs in the countryside</li> <li>• the creation of new products and market outlets</li> <li>• encouraging collaborative marketing</li> <li>• provision of targeted training</li> </ul>	<p>Number of projects, businesses or initiatives assisted</p>	a) To increase farm revenues from diversified sources by 25% on full time farms in England by end 2006.	Data not yet available	n/a	
		b) To assist 6,000 – 7,000 projects under the Rural Enterprise Scheme by 2007.	388 projects assisted	596 projects assisted	
		c) To assist 370 businesses with Processing and Marketing Grants by 2007.	54 projects assisted	81 projects assisted	
		d) To assist 200 village initiatives through the Rural Enterprise Scheme by 2007.	0	48 assisted	
		e) To create 4,000 – 6,000 Full Time Equivalent jobs through the Rural Enterprise Scheme.	Number of FTE jobs created and sustained	1,033	3,552
<p>Number of full-cost equivalent training days provided</p>	<p>Number of full-cost equivalent training days provided</p>	f) To create 2,200 Full Time Equivalent jobs through Processing and Marketing Grants by 2007.	860	2,644	
		g) To provide 48,000 full cost equivalent training days for people in farming and forestry by 2007 to support successful delivery of measures under this Programme.	13,959	35,109	
		h) To increase by 21,000 Hectares the area of agricultural land planted with trees by 2007.	4,732 ha (approved for planting)	11,628 ha (approved for planting)	





PRIORITY B Rural Environment Conservation and enhancement of the rural environment					
Objective	Impact indicators	Impact Targets	Achievements in 2002	Cumulative up to end of 2002	
To increase significantly the area covered by the schemes operated under the agri-environment measure; To maintain the sustainable management of an appropriate area of the Less Favoured Area	Number of Biodiversity Targets Achieved  Number of hectares achieved/converted	a) To deliver by 2007 the 5-year 2010 Biodiversity Action Plan targets for creation of field margins through the Countryside Stewardship Scheme.	7,224 ha (provisional)	17,326 ha (provisional)	
		b) To achieve an additional 525,000 hectares of land under Countryside Stewardship agreements by 2007.	119,000 ha (provisional)	304,000 (provisional)	
		c) 430,000 hectares of land converted or converting to organic farming by 2007.	19,563 ha	79,186 ha	
		d) To maintain at least the current areas of land under ESA agreements.	52,577 ha	116,506 ha	
		e) To maintain extensive grazing on 1.4m hectares in the Less Favoured Areas.	Total area claimed as LFA forage for HFA 2002 was 1.4m ha	N/A	
		f) To increase by 10% the proportion of land in higher ESA tiers by 2004.	35,271 ha	571,520 ha (10% increase over 2000 figure already achieved)	

## Annex 4A: (Guarantee funding): Common indicator tables for monitoring rural development programming 2000–2006

### Conventions used

#### a. Colour conventions

To be filled in	
Automatically calculated/filled	
Not to be filled in	

#### b. Coding conventions

Not applicable	NP
Applicable, but not implemented (yet)	NI
Figure is not available	NA

#### c. Country codes

AUSTRIA	AT
BELGIUM	BE
DENMARK	DK
FRANCE	FR
GREECE	GR
IRELAND	IE
LUXEMBOURG	LU
NETHERLANDS	NL
PORTUGAL	PT
SPAIN	ES
SWEDEN	SE
UNITED KINGDOM	GB
GERMANY	DE
ITALY	IT
FINLAND	FI

#### d. Programme types

Rural Development Programme (Guarantee)	<b>RDP</b>
RDP with modulation (tracked separately)	<b>RDPmod</b>
RD measures included in Obj 1 programme (Guidance)	<b>Obj1</b>
RD measures included in Obj 2 programme (Guarantee)	<b>Obj2</b>

#### e. Region codes

See explanatory guidelines

## Rural development monitoring indicator tables

### code General tables

- T.0.1 Background information
- T.0.2 Programmed measures
- T.1 Characteristics of the programme area
- T.2 Land use programme area
- T.3 Profile of agricultural holdings programme area
- T.4 Forecasts
- T.5 Geographic breakdown of support measures
- T.5.1 According to Objective 1 areas, Objective 2 areas and areas outside Objectives 1 and 2
- T.5.2 According to the areas defined by Articles 16 to 20 of Reg. (CE) n°1257/1999
- T.6 Financial monitoring

### Measure tables

- a Investment in agricultural holdings (Ch. I, art. 4-7)
  - a.1 Breakdown by type of production
  - a.2 Breakdown by type of investment
- b Setting-up of young farmers (Ch. II, art. 8)
  - b.1 Setting-up aids by type of production
  - b.2 Applications by age category
- c Training (Ch. III, art. 9)
- d Early retirement (Ch. IV, art. 10-12)
  - d.1 Beneficiary type
  - d.2 New applications by age category
- e Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21)
  - e.1 Less Favoured Areas (holdings receiving compensatory allowances by pre-dominant LFA type )
  - e.2 Areas with environmental restrictions (holdings receiving art. 16 payments)
- f Agri-environment (Ch. VI, art. 22-24)
- g Improving processing and marketing of agricultural products (Ch. VII, art. 25-28)
  - g.1 Breakdown by sector
  - g.2 Breakdown by investment objective
- h Afforestation of agricultural land (Ch. VIII, Art. 29-32)
- l Other forestry measures (Ch. VIII, Art. 29-32)
  - l.1 Other afforestation (art. 30, 1st indent)
  - l.2 (art. 30, other indents; art. 32)
- j to v Promoting the adaptation and development of rural areas (Ch. IX, art. 33)
  - j Land improvement
  - k Reparcelling
  - l Setting-up of farm relief and farm management services
  - m Marketing of quality agricultural products
  - n Basic services for the rural economy and population
  - o Renovation and development of villages and protection and conservation of the rural heritage
  - p Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes
  - q Agricultural water resources management

- r Development and improvement of infrastructure connected with the development of agriculture
  - s Encouragement for tourist and craft activities
  - t Protection of the environment in connection with agriculture, forestry and landscape conservation as well as the improvement of animal welfare
  - u Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments
  - v Financial engineering
- Mixed table
- T.7 Agricultural area under agri-environment contracts and Natura 2000: share UAA receiving agri-environmental or compensatory allowance payments

## T.O.1 Background information

Programme type: RDPmod  
Country: GB  
Region: ENG  
Reporting year: 2002  
programme id: UKENG

### Contact person:

name Brian Symes  
organisation Department for Environment, Food and Rural Affairs  
e-mail brian.symes@defra.gsi.gov.uk  
phone 00 44 20 7238 6276

Programme type: RDP  
Country: GB  
Region: ENG  
Reporting year: 2002  
programme id: GBENG

### Contact person:

name Brian Symes  
organisation Department for Environment, Food and Rural Affairs  
e-mail brian.symes@defra.gsi.gov.uk  
phone 00 44 20 7238 6276

## T.0.2 Programmed measures

	Tables	Status
a. Investment in agricultural holdings (Ch. I, art. 4-7).	a.1 & a.2	X
b. Setting-up of young farmers (Ch. II, art. 8).	b.1 & b.2	NP
c. Training (Ch. III, art. 9).	c	X
d. Early retirement (Ch. IV, art. 10-12).	d.1 & d.2	NP
e.1 Less-favoured areas (Ch. V, art. 13-21).	e.1	X
e.2 Areas with environmental restrictions (Ch. V, art. 16).	e.2	NP
f. Agri-environment (Ch. VI, art. 22-24).	f	X
g. Improving processing and marketing of agricultural products (Ch. VII, art. 25-28).	g.1 & g.2	X
h. Afforestation of agricultural land and i. Other afforestation (Ch. VIII, art. 31, 30).	h & i.1	X
i. Other forestry measures (Ch. VIII, art. 30, 32).	i rest	X
j. Land improvement and k. Reparcelling (Ch. IX, art. 33).	j & k	NP
l. Setting-up of farm relief and farm management services (Ch. IX, art. 33).	l & m	X
m. Marketing of quality agricultural products (Ch. IX, art. 33).	l & m	X
n. Basic services for the rural economy and population (Ch. IX, art. 33).	n & o	X
o. Renovation and development of villages and protection and conservation of the rural heritage (Ch. IX, art. 33).	n & o	X
p. Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative income (Ch. IX, art. 33).	p & q	X
q. Agricultural water resources management (Ch. IX, art. 33).	p & q	X
r. Development and improvement of infrastructure connected with the development of agriculture (Ch. IX, art. 33).	r & s	X
s. Encouragement for tourist and craft activities (Ch. IX, art. 33).	r & s	X
t. Protection of the environment in connection with agriculture, forestry and landscape conservation as well as the improvement of animal welfare (Ch. IX, art. 33).	t & u & v	X
u. Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments (Ch. IX, art. 33).	t & u & v	NP
v. Financial engineering (Ch. IX, art. 33).	t & u & v	NP

## T1. Characteristics of the programme area

	Indicator	Year of reference
GDP per capita (EUR)	21,767	1999
GDP (in % of the national average)	102.4%	1999
Share of agriculture in the GDP (%)	0.8%	2001
Per capita average income (EUR)	25,392	2003
urban population	26,339	2003
rural population	18,283	2000/01 tax year
agricultural population	25662	
overall		
Population density (inhabitant/km <sub>2</sub> )	378	2001
Migratory balance (net result, in 000 people)	Not available	N/A
overall programme area	Not available	N/A
rural areas		
Population (000 inhabitant)	35,126	2001
urban	14,012	2001
rural	233	2001
total	127	2001
of which farmers	49138	
total		
of which part-time farmers		
Active population (000 people)	17,855	2001
urban	7,274	2001
rural	372	2002
total	25129	
Unemployment rate (%)	5.4%	2001
urban	3.4%	2001
rural	4.8%	2001
total		
Employment rate women (in % active population)	96.5%	2001
Employment rate men (in % active population)	96.6%	2001
Employment rate young people < 25 (in % active population)	91.1%	2001

## T2. Land use programme area

Year of reference: 2002

	000 ha	% of UAA	% of total
Arable land	5142	54%	39%
Permanent crops	266	3%	2%
Permanent grassland and pastures	4119	43%	32%
<b>UAA total</b>	<b>9527</b>	<b>100%</b>	<b>73%</b>
Forests and other woodland	1100		8%
Other uses	2414		19%
<b>TOTAL</b>	<b>13041</b>		<b>100%</b>



### T3. Profile of agricultural holdings programme area

Main type of production	Number of holdings ('000)	Utilized agricultural area ('000 ha)	Livestock units ('000)	Number of farmers ('000)			Year of reference: 2000/02
				Total	farmers < 40	farmers ≥ 55	
Field crops	33	4230	35	5	13%	17	49%
Horticulture	7	67	4	0	9%	2	50%
Vineyards	0	0	0	0	0%	0	0%
Fruit cultivation	2	34	1	0	8%	0	48%
Olive cultivation	0	0	0	0	0%	0	0%
Other holdings (including mixed holdings)	34	1229	NA	14	15%	6	45%
Dairying	15	1194	4307	17	15%	7	42%
Cattle-rearing and fattening	2	88	335	14	11%	8	57%
Pigs	2	32	1058	3	15%	1	47%
Poultry	4	41	1528	2	15%	1	50%
Other types of livestock-farming	61	2170	NA	46	13%	23	49%
Others (non-classifiable)	6	15	0	1	12%	1	50%
<b>TOTAL</b>	<b>167</b>	<b>Refer to Annex 2</b>	<b>9099</b>	<b>137</b>	<b>13%</b>	<b>67</b>	<b>49%</b>

## T.4 Forecasts table

Measure	Table	Information requested	2000	2001	2002	2003	2004	2005	2006
Investment in agricultural holdings (Ch. I, art. 4-7)	a.1	Number of applications approved	133			175	187	194	
		Total eligible cost ('000 EUR)	9904			13821	14759	16985	
		Amount of public expenditure committed ('000 EUR)	3961			5528	5900	6794	
		Total of which EAGGF	1977			2768	2950	3393	
Setting-up of young farmers (Ch. II, art. 8)	b.1	Number of applications approved	NP			NP	NP	NP	
		Amount of public expenditure committed ('000 EUR)	NP			NP	NP	NP	
Training (Ch. III, art. 9)	c	Number of applications approved	8728			8728	8728	8728	
		Total eligible cost ('000 EUR)	8467			8467	8467	8467	
		Amount of public expenditure committed ('000 EUR)	6350			6350	6350	6350	
		Total of which EAGGF	3170			3170	3170	3170	
Early retirement (Ch. IV, art. 10-12)	d.1	Number of new agreements	NP			NP	NP	NP	
		Number of hectares released ('000 ha)	NP			NP	NP	NP	
		Amount of public expenditure committed ('000 EUR)	NP			NP	NP	NP	
		Total of which EAGGF	NP			NP	NP	NP	
Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21)	e.1	Number of holdings supported	12000			12000	12000	12000	
		Number of hectares supported ('000 ha.)	1400			1400	1400	1400	
		Amount of public expenditure committed ('000 EUR)	59362			55314	43171	43171	
		Total of which EAGGF	11263			11263	11263	11263	
	e.2	number of holdings	NP			NP	NP	NP	
		number of hectares supported ('000 ha)	NP			NP	NP	NP	
		Amount of public expenditure committed ('000 EUR)	NP			NP	NP	NP	
		Total of which EAGGF	NP			NP	NP	NP	
Agri-environment (Ch. VI, art. 22-24)	f	Number of new contracts	1711			1249	947	652	
		Number of hectares supported	102454			74798	56704	39063	
		Amount of public expenditure committed ('000 EUR)	67034			53090	42781	16564	
		Total of which EAGGF	34187			27076	21818	8448	
Improving processing and marketing of agricultural products (Ch. VII, art. 25-28)	g.1	Number of applications approved	264			288	192	96	
		Total eligible cost ('000 EUR)	42380			42380	42380	52850	
		Amount of public expenditure committed ('000 EUR)	12700			12700	12700	15870	
		Total of which EAGGF	6350			6350	6350	7940	

## T.4 Forecasts table – continued

Measure	Table	Information requested	2000	2001	2002	2003	2004	2005	2006
Afforestation of agricultural land; other afforestation (Ch. VIII, art. 30-31)	h & l.1	Number of applications approved area supported ('000 ha)	3419	3419	3419	5	3420	18	
		Total eligible cost ('000 EUR)	19703	19706	22485	20780			
		Amount of public expenditure committed ('000 EUR)	13538	13540	15395	13750			
		Total of which EAGGF	6927	6929	7894	7071			
Other forestry (Ch. VIII, art. 30, indents 2-5)	i rest	Number of applications approved	1602	1602	1602	1602	1602	1602	1602
		Total eligible cost ('000 EUR)	8653	8656	9070	8954			
		Amount of public expenditure committed ('000 EUR)	5602	5604	5871	5813			
		Total of which EAGGF	2801	2801	2935	2906			
Other forestry (Ch. VIII, art. 32)	i rest	Number of applications approved area supported ('000 ha)	NP	NP	NP	NP	NP	NP	NP
		Total eligible cost ('000 EUR)	NP	NP	NP	NP	NP	NP	NP
		Amount of public expenditure committed ('000 EUR)	NP	NP	NP	NP	NP	NP	NP
Land improvement (Ch. IX, art. 33)	j & k	Number of applications approved	NP	NP	NP	NP	NP	NP	NP
		Total eligible cost ('000 EUR)	NP	NP	NP	NP	NP	NP	NP
		Amount of public expenditure committed ('000 EUR)	NP	NP	NP	NP	NP	NP	NP
Reparcelling (Ch. IX, art. 33)	j & k	Number of applications approved	NP	NP	NP	NP	NP	NP	NP
		Total eligible cost ('000 EUR)	NP	NP	NP	NP	NP	NP	NP
		Amount of public expenditure committed ('000 EUR)	NP	NP	NP	NP	NP	NP	NP
Setting up of farm relief and farm management services (Ch. IX, art. 33)	l & m	Number of applications approved	70	120	180	280			
		Total eligible cost ('000 EUR)	3400	5300	5720	7090			
		Amount of public expenditure committed ('000 EUR)	1360	2130	2290	2840			
		Total of which EAGGF	680	1070	1150	1420			
Marketing of quality agricultural products (Ch. IX, art. 33)	l & m	Number of applications approved	233	336	374	512			
		Total eligible cost ('000 EUR)	16820	24970	26720	33520			
		Amount of public expenditure committed ('000 EUR)	6730	9990	10690	13410			
		Total of which EAGGF	3360	4990	5340	670			
Basic services for the rural economy and population (Ch. IX, art. 33)	n & o	Number of applications approved	20	30	40	50			
		Total eligible cost ('000 EUR)	1740	2800	3090	3890			
		Amount of public expenditure committed ('000 EUR)	1390	2240	2470	3110			
		Total of which EAGGF	700	1120	1240	1560			

## T.4 Forecasts table – continued

Measure	Table	Information requested	2000	2001	2002	2003	2004	2005	2006
Renovation and development of villages and protection and conservation of the rural heritage (Ch. IX, art. 33)	n & o	Number of applications approved				40	70	100	150
		Total eligible cost ('000 EUR)			3070	4800	5210	6500	
		Amount of public expenditure committed ('000 EUR)	Total			2460	3840	4170	5200
		of which EAGGF			1230	1920	2090	2600	
Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes (Ch. IX, art. 33)	p & q	Number of applications approved				189	287	315	329
		Total eligible cost ('000 EUR)			14700	23800	25970	32540	
		Amount of public expenditure committed ('000 EUR)	Total			5880	9520	10390	13020
		of which EAGGF			2940	4760	5190	6510	
Agricultural water resources management (Ch. IX, art. 33)	p & q	Number of applications approved				22	36	40	60
		Total eligible cost ('000 EUR)			3530	5820	6830	9830	
		Amount of public expenditure committed ('000 EUR)	Total			1410	2330	2730	3930
		of which EAGGF			710	1160	1370	1970	
Development and improvement of infrastructure connected with the development of agriculture (Ch. IX, art. 33)	r & s	Number of applications approved				50	75	90	140
		Total eligible cost ('000 EUR)			3360	5200	5620	6960	
		Amount of public expenditure committed ('000 EUR)	Total			1680	2600	2810	3480
		of which EAGGF			840	1300	1410	1740	
Encouragement for tourist and craft activities (Ch. IX, art. 33)	r & s	Number of applications approved				420	540	510	570
		Total eligible cost ('000 EUR)			15700	25820	28270	35280	
		Amount of public expenditure committed ('000 EUR)	Total			6280	10330	11310	14110
		of which EAGGF			3140	5160	5650	7060	
Protection of the environment in connection with agriculture, forestry and landscape conservation, as well as the improvement of animal welfare (Ch. IX, art. 33)	t & u & v	Number of applications approved				45	75	90	125
		Total eligible cost ('000 EUR)			4580	7300	8200	10160	
		Amount of public expenditure committed ('000 EUR)	Total			3330	5310	5830	7390
		of which EAGGF			1660	2660	2910	3700	
Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments (Ch. IX, art. 33)	t & u & v	Number of applications approved				NP	NP	NP	NP
		Total eligible cost ('000 EUR)			NP	NP	NP	NP	NP
		Amount of public expenditure committed ('000 EUR)	Total			NP	NP	NP	NP
		of which EAGGF			NP	NP	NP	NP	NP

## T.4 Forecasts table – continued

Measure	Table	Information requested	2000	2001	2002	2003	2004	2005	2006
Financial engineering (Ch. IX, art. 33) t & u & v		Number of applications approved				NP	NP	NP	NP
		Total eligible cost ('000 EUR)				NP	NP	NP	NP
Total of all measures		Amount of public expenditure committed ('000 EUR)	0	0	0	199067	200416	184858	174802
		Amount of public expenditure committed ('000 EUR)	0	0	0	81935	84497	82730	71421

## T.5 Geographic breakdown of support

### T.5.1 According to Objective 1 areas, Objective 2 areas and areas outside Objectives 1 and 2

Measures (between brackets, reference articles of Reg. (CE) 1257/1999)

	Objective 1 area	Objective 2 area	Outside Objectives 1 and 2	TOTAL			
	a	b = a/g	c	d = c/g	e	f = e/g	g = a+c+e
		%		%		%	
Total number of agricultural holdings	11217	6%	44987	24%	131667	70%	187871
a. Investment in agricultural holdings (art. 4-7)			4	8%	45	92%	49
			105	4%	2689	96%	2794
b. Setting-up of young farmers (art.8)			NP	0%	NP	0%	0
			NP	0%	NP	0%	0
c. Training (art. 9)			14	19%	58	81%	72
			2029	29%	4882	71%	6911
d. Early retirement (art. 10-12)	NP	0%	NP	0%	NP	0%	0
	NP	0%	NP	0%	NP	0%	0
e.1 Less-favoured areas (art. 13-21)	565	5%		0%	10741	95%	11306
	3247	5%		0%	61696	95%	64943
e.2 Areas with environmental restrictions (art. 13-21)	NP	0%	NP	0%	NP	0%	0
	NP	0%	NP	0%	NP	0%	0
f. Agri-environment (art. 22-24)	6	1%	194	47%	216	52%	416
	29	1%	1246	51%	1171	48%	2446
g. Improving processing and marketing of agricultural products (art. 25-28)			13	24%	41	76%	54
			3861	22%	13586	78%	17447
h. Afforestation of agricultural land (art. 31) (planting costs)	51	4%	303	25%	865	71%	1219
	766	5%	3700	26%	9940	69%	14406
i. Other forestry measures (art. 30, 32)			104	26%	297	74%	401
			386	23%	1289	77%	1675
j. to v. Promoting the adaptation and development of rural areas (art.33)			94	26%	266	74%	360
			6228	21%	23893	79%	30120
<b>Total of public expenditure committed</b>	<b>4003</b>	<b>3%</b>	<b>17366</b>	<b>12%</b>	<b>118638</b>	<b>85%</b>	<b>140007</b>

## T.5 Geographic breakdown of support

### T.5.2 According to the areas defined by Articles 16 to 20 of the Reg. (CE) n°1257/1999

Measures	Less-favoured areas													
	Normal area			Mountain areas			Other less-favoured areas			Areas affected by specific handicaps			Total for LFA	
	a	% b=a/k	c	% d=c/k	e	% f=e/k	g	% h=g/k	i	% j=i/k	k=a+i			
Total number of agricultural holdings	158154	84%	0	0%	29717	16%	0	0%	29717	16%	187871			
a. Investment in agricultural holdings (art. 4-7)	49	100%	0	0%	0	0%	0	0%	0	0%	49			
	2794	100%	0	0%	0	0%	0	0%	0	0%	2794			
b. Setting-up of young farmers (art.8)	NP	0%	NP	0%	NP	0%	NP	0%	0	0%	0			
	NP	0%	NP	0%	NP	0%	NP	0%	0	0%	0			
c. Training (art. 9)	72	100%	0	0%	0	0%	0	0%	0	0%	72			
	6911	100%	0	0%	0	0%	0	0%	0	0%	6911			
d. Early retirement (art. 10-12)	NP	0%	NP	0%	NP	0%	NP	0%	0	0%	0			
	NP	0%	NP	0%	NP	0%	NP	0%	0	0%	0			
e.1 Less-favoured areas (art. 13-21)			0	0%	11306	100%	0	0%	11306	100%	11306			
			0	0%	64943	100%	0	0%	64943	100%	64943			
e.2 Areas with environmental restrictions (art. 13-21)	0	0%	0	0%	0	0%	0	0%	0	0%	0			
	0	0%	0	0%	0	0%	0	0%	0	0%	0			
f. Agri-environment (art. 22-24)	220	53%		0%	196	47%		0%	196	47%	416			
	1227	50%		0%	1219	50%		0%	1219	50%	2446			
g. Improving processing and marketing of agricultural products (art. 25-28)	54	100%	0	0%	0	0%	0	0%	0	0%	54			
	17447	100%	0	0%	0	0%	0	0%	0	0%	17447			
h. Afforestation of agricultural land (art. 31) (planting costs)	1048	86%		0%	171	14%		0%	171	14%	1219			
	12822	89%		0%	1584	11%		0%	1503	11%	14406			
i. Other forestry measures (art. 30, 32)	345	86%		0%	56	14%		0%	56	14%	401			
	1491	89%		0%	184	11%		0%	184	11%	1675			
j. to v. Promoting the adaptation and development of rural areas (art.33)	360	100%	0	0%	0	0%	0	0%	0	0%	360			
	30120	100%	0	0%	0	0%	0	0%	0	0%	30120			
<b>Total of public expenditure committed</b>	<b>72158</b>	<b>52%</b>	<b>0</b>	<b>0%</b>	<b>67849</b>	<b>48%</b>	<b>0</b>	<b>0%</b>	<b>67849</b>	<b>48%</b>	<b>140007</b>			

## T.6 Financial monitoring

### Measure

Measure	Total costs borne by the beneficiaries ('000 EUR)				Total eligible cost ('000 EUR)				Amount of public expenditure committed ('000 EUR)			
	Obj. 1	Obj.2	Outs. Obj. 1 & 2	Total	Obj. 1	Obj.2	Outs. Obj. 1 & 2	Total	Obj. 1	Obj.2	Outs. Obj. 1 & 2	Total
a. Investment in agricultural holdings (Article 4-7)	158	4033	4191	6985	264	6722	105	2689	2794	53	1344	1397
b. Setting-up of young farmers (Article 8)									0	NP	NP	0
c. Training (Article 9)	679	1678	2356	9267	2708	6559	2029	4882	6911	1015	2441	3455
d. Early retirement (Articles 10-12)									0	NP	NP	0
e.1 Less-favoured areas (Articles 13-21)									3247	0	61696	64943
e.2 Areas with environmental restrictions (Articles 13-21)									NP	NP	NP	0
f. Agri-environment (Articles 22-24)					29	1246	1171	2446	22	623	586	1230
g. Improving processing and marketing of agricultural products (Articles 25-28)	9008	33007	42016	59463	12869	46594	3861	13586	17447	1930	6793	8723
h. Afforestation of agricultural land (Article 31) (planting costs)	698	3373	9064	13135	1464	7073	19004	27541	766	3700	9940	14406
i. Other forestry measures (Articles 30 and 32)	370	1238	1608	3283	756	2527	386	1289	1675	193	645	838
j. Land improvement (Article 33)	NP	NP	0	0	NP	NP	NP	NP	0	NP	NP	0
k. Reparcelling (Article 33)	NP	NP	0	0	NP	NP	NP	NP	0	NP	NP	0
l. Setting-up of farm relief and farm management services (Article 33)	31	424	454	1494	632	862	601	439	1040	301	219	520
m. Marketing of quality agricultural products (Article 33)	174	2905	3079	6411	406	6005	232	3099	3332	116	1550	1666
n. Basic services for the rural economy and population (Article 33)	64	494	558	1816	168	1647	104	1154	1258	52	577	629
o. Renovation and development of villages and protection and conservation of the rural heritage (Article 33)	52	490	542	1552	175	1377	122	887	1010	61	444	505





a. Investment in agricultural holdings (Ch. I, art. 4-7).

**a.1 Breakdown by type of production**

Main type of production	Number of applications approved	% of total eligible cost allocated to "green investments"	average aid intensity in % eligible cost	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)
					Total	of which EAGGF
Fields crops	10	NA	40%	511	852	341
Horticulture	5	NA	40%	603	1005	402
Vineyards			0%			
Fruit cultivation	2	NA	40%	21	36	14
Olive cultivation			0%			7
Other holdings (including mixed holdings)	5	NA	40%	661	1102	441
Dairying	3	NA	40%	327	545	218
Cattle-rearing and fattening	5	NA	40%	177	295	118
Pigs	2		40%	399	665	266
Poultry			0%			
Other types of livestock-farming	4	NA	40%	345	575	230
Others (non-classifiable)	13	NA	40%	1147	1911	764
<b>TOTAL</b>	<b>49</b>	<b>0%</b>	<b>40%</b>	<b>4191</b>	<b>6985</b>	<b>2794</b>
of which young farmers	NA	NA	0%	NA	NA	NA
Forecast (for total)	100				8489	3395

## a. Investment in agricultural holdings (Ch. I, art. 4-7).

### a.2 Breakdown by type of investment

Type of investment	Number of applications approved	% of total eligible cost allocated to "green investments"	average aid intensity in % eligible cost	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)
					Total	of which EAGGF
Buildings	2	NA	40%	126	210	84
of which Livestock housing (Cattle)		0%				
Pighouses		0%				
Other livestock buildings	2	NA	40%	126	210	84
Greenhouses and related equipment		0%				42
Other farm buildings		0%				
Plant and mobile equipment	9	NA	40%	537	894	358
Purchase of livestock	2	NA	40%	90	150	60
Land improvement		0%				
Agricultural plantations	6	NA	40%	175	292	117
Facilities for manufacture and direct sale of farm products	2	NA	40%	299	499	200
Facilities for the diversification of activities on the holding	2	NA	40%	384	640	256
Other	26	NA	40%	2580	4300	1720
<b>TOTAL</b>	<b>49</b>	<b>0%</b>	<b>40%</b>	<b>4191</b>	<b>6985</b>	<b>2794</b>



### c. Training (Ch. III, art. 9)

Objective	Number of applications approved	Number of participants	Average number of training days per participant	Total costs borne by the beneficiaries ('000 EUR)		Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	
				Participant	Organiser		Total	of which EAGGF
Preparation for qualitative reorientation of production	7	NA	NA	387		1548	1161	581
Preparation for the application of production practices compatible with the maintenance and enhancement of the landscape, the protection of the environment, hygiene standards and animal welfare	10	NA	NA	256		1022	767	383
Acquisition of the skills needed to enable to manage an economically viable farm	52	NA	NA	1546		6033	4487	2243
Preparation for the application of forest management practices to improve the economic, ecological or social functions of the forests	3	NA	NA	168		663	496	248
<b>TOTAL</b>	<b>72</b>	<b>0</b>	<b>0</b>	<b>2356</b>	<b>0</b>	<b>9267</b>	<b>6911</b>	<b>3455</b>
Forecast						6347	4760	2380

## d. Early retirement (Ch. IV, art. 10-12)

### d.1 Beneficiary type

Beneficiary of support	Number of agreements	of which new applications	Number of ha released		total	of which new	of which new	Average amount of support (EUR)	Amount of public expenditure committed ('000 EUR)	
			reassigned to agricultural uses	reassigned to non agricultural uses					Total	of which EAGGF
Farmers					0	0	0	0		
Farm workers								0		
<b>TOTAL</b>	<b>0</b>	<b>0</b>							<b>0</b>	<b>0</b>
Forecast										0
Old commitments 2079/92										

## d. Early retirement (Ch. IV, art. 10-12)

### d.2 New applications by age category

Beneficiary of support	Number of new applications approved			TOTAL
	55 ≤... ≤ 60 years old	60 <... ≤ 65 years old	> 65 years old	
Farmers			0	0
Farm workers			0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

e. Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21)

**e.1 Less Favoured Areas (holdings receiving compensatory allowances by pre-dominant LFA type )**

Area type	Number of holdings supported	Number of hectares receiving compensatory allowances ('000 ha)	Average amount of payments (EUR) per holding	Average amount of payments (EUR) per ha	Amount of public expenditure committed ('000 EUR) Total	Amount of public expenditure committed ('000 EUR) of which EAGGF
Mountain areas			0	0		
Other less-favoured areas	11306	1418	5744	46	64943	11263
Areas affected by specific handicaps			0	0		
Total	11306	1418	5744	46	64943	11263
of which Natura 2000 areas			0	0		
Forecast (total)	12000	1200			64997	11263

e. Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21)

**e.2 Areas with environmental restrictions (holdings receiving art. 16 payments)**

Area type	Number of holdings supported	Number of hectares receiving art. 16 payments ('000 ha)	Average amount of payments (EUR) per holding	Average amount of payments (EUR) per ha	Amount of public expenditure committed ('000 EUR) Total	Amount of public expenditure committed ('000 EUR) of which EAGGF
LFA			0	0		
Mountain areas			0	0		
Other less-favoured areas			0	0		
Areas affected by specific handicaps			0	0		
non LFA			0	0		
TOTAL	0	0	0	0	0	0
of which Natura 2000 areas			0	0		
Forecast (total)			0	0		

f. Agri-environment (Ch. VI, art. 22-24)

Action	Number of contracts	of which new contracts	Number of hectares		Average premium per ha	Amount of public expenditure committed ('000 EUR)	
			under contract	of which new		Total	of which EAGGF
organic farming	annual crops	1	0	12	0	71	1
	specialised perennial crops	0	0	0	0	0	0
	other	4	1	80	12	58	5
	<b>Total</b>	<b>5</b>	<b>1</b>	<b>92</b>	<b>12</b>	<b>60</b>	<b>6</b>
other input reduction (incl. integrated production)	annual crops	0	0	0	0	0	0
	specialised perennial crops	0	0	0	0	0	0
	other	0	0	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
crop rotation	annual crops	0	0	0	0	0	0
	other	0	0	0	0	0	0
landscaping/nature (conservation, restoration, creation)	annual crops	12	0	595	0	117	70
	specialised perennial crops	252	3	10149	92	145	1471
	other	147	2	13171	79	68	900
	<b>Total</b>	<b>411</b>	<b>5</b>	<b>23915</b>	<b>171</b>	<b>102</b>	<b>2440</b>
plant varieties under threat of genetic erosion	annual crops	0	0	0	0	0	0
	specialised perennial crops	0	0	0	0	0	0
	other	0	0	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
other actions	annual crops	0	0	0	0	0	0
	specialised perennial crops	0	0	0	0	0	0
	other	0	0	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>416</b>	<b>6</b>	<b>24007</b>	<b>184</b>	<b>102</b>	<b>2446</b>	<b>1230</b>
Forecast				2480			



## f. Agri-environment (Ch. VI, art. 22-24) – continued

	Number of contracts	of which new contracts	Number of livestock units		Average premium per ha	Amount of public expenditure committed ('000 EUR)	
			under contract	of which new		Total	of which EAGGF
Breeds in danger of being lost to farming							
cattle	0	0	0	0	0	0	0
sheep	0	0	0	0	0	0	0
goats	0	0	0	0	0	0	0
equidae	0	0	0	0	0	0	0
pigs	0	0	0	0	0	0	0
avian	0	0	0	0	0	0	0
mixed	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL agri-environment</b>	<b>411</b>	<b>6</b>				<b>2446</b>	<b>1230</b>
<i>Forecast (total)</i>							

## f. Agri-environment (Ch. VI, art. 22-24) – continued

	Number of contracts	Number of hectares/livestock units	Average premium per ha	Amount of public expenditure committed ('000 EUR)	
				Total	of which EAGGF
crops/other	19126	439096	171	75196	37646
of which organic farming	1229	80926	57	4636	2366
endangered breeds	0	0	0	0	0
<b>Total</b>	<b>19126</b>			<b>75196</b>	<b>37646</b>

## g. Improving processing and marketing of agricultural products (Ch. VII, art. 25-28)

### g.1 Breakdown by sector

Main sector	Number of applications approved	% of total eligible costs allocated to "green investments"	average aid intensity in % eligible cost	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)
					Total	of which EAGGF
Meat	13	NA	30%	6445	9207	1381
Milk and dairy products	9	NA	27%	10150	13994	1922
Eggs and poultry			0%			
Other livestock products			0%			
Cereals	2	NA	30%	2526	3609	541
Sugar			0%			
Oilseeds	1	NA	30%	142	203	30
Protein seeds			0%			
Wines and alcohols	1	NA	30%	99	141	21
Fruit and vegetables	15	NA	30%	14006	19955	2975
Flowers and plants	4	NA	30%	1800	2572	386
Seeds			0%			
Potato	4	NA	30%	4165	5950	893
Other crop products	3	NA	30%	1354	1934	290
Polyvalent products			0%			
Other products	2	NA	30%	1329	1898	285
<b>TOTAL</b>	<b>54</b>	<b>0%</b>	<b>29%</b>	<b>42016</b>	<b>59463</b>	<b>8723</b>
of which for organic products			0%			
<i>Forecast (total)</i>	<b>168</b>				<b>36980</b>	<b>11110</b>

## g. Improving processing and marketing of agricultural products (Ch. VII, art. 25-28)

### g.2 Breakdown by investment objective

Main objective	Number of applications approved	% of total eligible costs allocated to "green investments"	average aid intensity in % eligible cost	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	Total of which EAGGF
Guide production in line with foreseeable market trends	9	NA	30%	6783	9690	2907	1453
Encourage the development of new outlets for agricultural products	10	NA	30%	5408	7725	2318	1159
Improve or rationalise marketing channels			0%				
Improve or rationalise processing procedures	28	NA	29%	20352	28515	8162	4081
Improve the presentation and preparation of products	3	NA	30%	2915	4164	1249	625
Encourage the better use or elimination of by-products or waste			0%				
Apply new technologies	2	NA	30%	1729	2470	741	370
Favour innovative investments	1	NA	30%	1179	1685	505	253
Improve and monitor quality	1	NA	30%	3650	5214	1564	782
Improve and monitor health conditions			0%				
Protect the environment			0%				
<b>TOTAL</b>	<b>54</b>	<b>0%</b>	<b>29%</b>	<b>42016</b>	<b>59463</b>	<b>17447</b>	<b>8723</b>

h. Afforestation of agricultural land and i. Other forestry measures (Ch. VIII, Art. 29-32)

**h. Afforestation of agricultural land (art. 31)**

Types of support	Number of agreements	of which new	Area supported ('000 ha.)	of which new	Average amount of support per ha (EUR)	Amount of public expenditure committed ('000 EUR)	
						Total	of which EAGGF
Maintenance costs	2795	1344	10	5	61	610	305
Income loss	2427	935	12	5	11	125	38
<b>Total</b>						<b>735</b>	<b>343</b>
Old commitments 2080/92	2035		16			3149	1575

	Number of applications approved			Area supported ('000 ha.)			Average amount of support per ha (EUR)			Total costs borne by the beneficiaries ('000 EUR)			Total eligible cost ('0000 EUR)			Amount of public expenditure committed ('000 EUR)	
	Private	Public	Total	Private	Public	Total	Private	Public	Total	Private	Public	Total	Private	Public	Total	Total	of which EAGGF
Conifers			0			0	0	0	0	0	0	0	0	0	0		
Broadleaves	1219		1219	5		5	0	0	2972	13135		13135	13135	13671	26806	13671	6836
Mixed plantations (> 25% in a 2nd species)			0			0	0	0	0	0	0	0	0	0	0		
Rapid growth plantations			0			0	0	0	0	0	0	0	0	0	0		
<b>TOTAL</b>	1219	0	1219	5	0	5	0	0	2972	13135	0	13135	13135	13671	26806	13671	6836

### i.1 Other afforestation (art. 30, 1st indent)

Planning costs by tree type	Number of applications approved		Area supported ('000 ha.)		Average amount of support per ha (EUR)		Total costs borne by the beneficiaries ('000 EUR)		Total eligible cost ('0000 EUR)		of which EAGGF
	Private	Public	Private	Public	Private	Public	Private	Public	Private	Public	
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	
Conifers		0		0	0	0	0	0		0	
Broadleaves	125		0	0	0	2853	821	821	856	1677	428
Mixed plantations (> 25% in a 2nd species)		0		0	0	0	0	0		0	
Rapid growth plantations		0		0	0	0	0	0		0	
<b>TOTAL</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2853</b>	<b>821</b>	<b>821</b>	<b>856</b>	<b>1677</b>	<b>428</b>
Total afforestation (h + i; planting costs)		1344				2965		13956		28483	7264
Forecast (total afforestation)		1502								9017	3358

i. Other forestry measures continued (Ch. VIII, art. 29-32)

i.2 (art. 30, other indents; art. 32)

Art. 30 (indents 2-5)	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR) Single premium	Amount of public expenditure committed ('000 EUR)		Area supported ('000 ha.)
				Total	Interest subsidy of which EAGGF	
Investments in economic, ecological or social value of forests	276	787	1606	819	410	2
Investments in harvesting, processing and marketing of forestry products						
Promotion new outlets forestry products						
Establishment associations of forest holders						
Restoring forestry production potential						
Forest fire prevention						
<b>Total</b>	<b>276</b>	<b>787</b>	<b>1606</b>	<b>819</b>	<b>410</b>	<b>2</b>
<i>Forecast</i>	1602		5918	3809	1905	

Art. 32	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR) Single premium	Amount of public expenditure committed ('000 EUR)		Area supported ('000 ha.)
				Total	Interest subsidy of which EAGGF	
Maintain and improve the ecological stability of forests for public interest						
Maintain fire-breaks through agricultural measures (ha equivalent)						
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Forecast</i>						

## j. to v. Promoting the adaptation and development of rural areas (Ch. IX, art. 33)

### j. Land improvement

Action	Number of applications approved	Number of hectares	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	of which EAGGF
Land improvement					Total	
Forecast						

### k. Reparcelling

Action	Number of applications approved	Number of hectares	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	of which EAGGF
Land improvement					Total	
Forecast						

### l. Setting-up of farm relief and farm management services

Action	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	of which EAGGF
Farm relief services	2	45	122	77	38
Farm management services	8	409	1372	963	482
<b>Total</b>	<b>10</b>	<b>454</b>	<b>1494</b>	<b>1040</b>	<b>520</b>
Forecast	42		2375	950	475

j. to v. Promoting the adaptation and development of rural areas (Ch. IX, art. 33) – continued

**m. Marketing of quality agricultural products**

Action	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	
				Total	of which EAGGF
Marketing of quality agricultural products	48	3079	6411	3332	1666
Forecast	160		11525	4610	2305

**n. Basic services for the rural economy and population**

Action	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	
				Total	of which EAGGF
<b>Total</b>	<b>18</b>	<b>558</b>	<b>1816</b>	<b>1258</b>	<b>629</b>
of which (3 main categories):					
Local community schemes	9	260	1018	758	379
Assistance with ICT and other infrastructure provisions	3	9	58	49	25
Project Development	2	4	71	67	33
Other	4	284	668	384	192
Forecast (total)	15		1366	1090	545



j. to v. Promoting the adaptation and development of rural areas (Ch. IX, art. 33) – continued

**o. Renovation and development of villages and protection and conservation of the rural heritage**

Action	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	of which EAGGF
Renovation/development of villages	19	536	1526	991	495
Protection/conservation of rural heritage	1	6	25	19	10
<b>Total</b>	<b>20</b>	<b>542</b>	<b>1552</b>	<b>1010</b>	<b>505</b>
<i>Forecast (total)</i>	36		2103	1680	840

**p. Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes**

Action	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	of which EAGGF
<b>Total</b>	<b>171</b>	<b>15516</b>	<b>26752</b>	<b>11236</b>	<b>5618</b>
of which (3 main categories):					
agri-tourism					
Conversion of agricultural land and buildings	91	10055	17000	6944	3472
Sporting/leisure activities	36	1716	3236	1520	760
Other	44	3745	6517	2771	1386
<i>Forecast (total)</i>	66		7440	2980	1490

j. to v. Promoting the adaptation and development of rural areas (Ch. IX, art. 33) – continued

**q. Agricultural water resources management**

Action	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	of which EAGGF
<b>Total</b>	<b>7</b>	<b>679</b>	<b>1134</b>	<b>456</b>	<b>228</b>
of which (3 main categories):					
irrigation	3	352	570	218	109
Distribution equipment	3	296	422	127	63
Project development	1	31	142	111	56
Other		0			0
<i>Forecast (total)</i>	<b>17</b>		<b>2843</b>	<b>1140</b>	<b>570</b>

**r. Development and improvement of infrastructure connected with the development of agriculture**

Action	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	of which EAGGF
<b>Total</b>	<b>15</b>	<b>472</b>	<b>1153</b>	<b>681</b>	<b>340</b>
of which (3 main categories):					
Access roads and bridges	10	287	608	322	161
Energy and ICT infrastructure	2	34	67	34	17
Project development	1	16	208	192	96
Other	2	136	269	134	67
<i>Forecast (total)</i>	<b>49</b>		<b>3020</b>	<b>1510</b>	<b>755</b>

j. to v. Promoting the adaptation and development of rural areas (Ch. IX, art. 33) – continued

s. Encouragement for tourist and craft activities

Action	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	of which EAGGF
Tourism activities	122	9709	17987	8279	4139
Craft activities	3	52	110	58	29
<b>Total</b>	<b>125</b>	<b>9761</b>	<b>18098</b>	<b>8337</b>	<b>4168</b>
<i>Forecast (total)</i>	139		8189	3280	1640

t. Protection of the environment in connection with agriculture, forestry and landscape conservation as well as the improvement of animal welfare

Action	Number of applications approved	Number of hectares	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	of which EAGGF
Protection of the environment	19	NA	1191	3918	2727	1363
Improvement of animal welfare	1		5	51	46	23
<b>Total</b>	<b>20</b>		<b>1196</b>	<b>3969</b>	<b>2772</b>	<b>1386</b>
<i>Forecast (total)</i>	32			3156	2300	1150

j. to v. Promoting the adaptation and development of rural areas (Ch. IX, art. 33) – continued

**u. Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments**

Action	Number of applications approved	Number of hectares	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	of which EAGGF
Restoring agricultural production potential						
introducing prevention instruments						
<b>Total</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Forecast (total)						

**v. Financial engineering**

Action	Number of applications approved	Total costs borne by the beneficiaries ('000 EUR)	Total eligible cost ('000 EUR)	Amount of public expenditure committed ('000 EUR)	of which EAGGF
Total					
Forecast					

T.7 Agricultural area under agri-environment contracts and Natura 2000: share UAA receiving agri-environmental or compensatory allowance payments)

Total UAA (000 ha)	UAA under agri-environment contracts (000 ha)		of which receiving LFA payments		of which receiving art. 16 payments		of which receiving agri- environmental payments			
	Total	1257/99	2078/92	UAA classified as Natura 2000 (000 ha) (1)	in % of (1)	Amount of public expenditure committed ('000 EUR)	in % of (1)	Amount of public expenditure committed ('000 EUR)	in % of (1)	Amount of public expenditure committed ('000 EUR)
9527	463	24	439	0%	0	0%	0	0	0	0

## Annex 1

### Classification of farms according to the type of production

<b>Main type of production</b>	<b>Type of farming classification</b>
Fields crops	1: specialist field crops
Horticulture	2 : specialist horticulture
Vineyards	31 : specialist vineyards
Fruit cultivation	32 : specialist fruit and citrus
Olive cultivation	33 : specialised olive
Other holdings (including mixed holdings)	34: various permanent crops combined
	6: mixed-crops
	8: mixed crops – livestock
Dairying	41 : specialist dairying
Cattle-rearing and fattening	42 : specialised cattle – dairying and fattening
Pigs	501 : specialised pigs
Poultry	502 : specialised poultry
Other types of livestock-farming	43: cattle – dairying, rearing and fattening combined
	44: sheep, goats and other grazing livestock
	503: various granivores combined
	7: mixed livestock holdings
Others	9 : non classifiable holdings

## Annex 2

### Comments

Exchange rate used = 1€ : £0.63




Total number of holdings:

- The total number of holdings in England is 187,871 (as per T.5.1 and T.5.2) of these only 167,020 holdings registered an area, thus that is the number shown in T.3.

## Annex 4B: (Modulation funding): Common Indicator Tables for Monitoring Rural Development Programming 2000–2006

### Conventions used

#### a. Colour conventions

To be filled in	
Automatically calculated/filled	
Not to be filled in	

#### b. Coding conventions

Not applicable	NP
Applicable, but not implemented (yet)	NI
Figure is not available	NA

#### c. Country codes

AUSTRIA	AT
BELGIUM	BE
DENMARK	DK
FRANCE	FR
GREECE	GR
IRELAND	IE
LUXEMBOURG	LU
NETHERLANDS	NL
PORTUGAL	PT
SPAIN	ES
SWEDEN	SE
UNITED KINGDOM	GB
GERMANY	DE
ITALY	IT
FINLAND	FI

#### d. Programme types

Rural Development Programme (Guarantee)	<b>RDP</b>
RDP with modulation (tracked separately)	<b>RDPmod</b>
RD measures included in Obj 1 programme (Guidance)	<b>Obj1</b>
RD measures included in Obj 2 programme (Guarantee)	<b>Obj2</b>

#### e. Region codes

See explanatory guidelines



## Rural development monitoring indicator tables

### code General tables

- T.0.1 Background information
- T.0.2 Programmed measures
- T.1 Characteristics of the programme area
- T.2 Land use programme area
- T.3 Profile of agricultural holdings programme area
- T.4 Forecasts
- T.5 Geographic breakdown of support measures
- T.5.1 According to Objective 1 areas, Objective 2 areas and areas outside Objectives 1 and 2
- T.5.2 According to the areas defined by Articles 16 to 20 of Reg. (CE) n°1257/1999
- T.6 Financial monitoring

### Measure tables

- a Investment in agricultural holdings (Ch. I, art. 4-7)
  - a.1 Breakdown by type of production
  - a.2 Breakdown by type of investment
- b Setting-up of young farmers (Ch. II, art. 8)
  - b.1 Setting-up aids by type of production
  - b.2 Applications by age category
- c Training (Ch. III, art. 9)
- d Early retirement (Ch. IV, art. 10-12)
  - d.1 Beneficiary type
  - d.2 New applications by age category
- e Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21)
  - e.1 Less Favoured Areas (holdings receiving compensatory allowances by pre-dominant LFA type )
  - e.2 Areas with environmental restrictions (holdings receiving art. 16 payments)
- f Agri-environment (Ch. VI, art. 22-24)
- g Improving processing and marketing of agricultural products (Ch. VII, art. 25-28)
  - g.1 Breakdown by sector
  - g.2 Breakdown by investment objective
- h Afforestation of agricultural land (Ch. VIII, Art. 29-32)
- l Other forestry measures (Ch. VIII, Art. 29-32)
  - l.1 Other afforestation (art. 30, 1st indent)
  - l.2 (art. 30, other indents; art. 32)
- j to v Promoting the adaptation and development of rural areas (Ch. IX, art. 33)
  - j Land improvement
  - k Reparcelling
  - l Setting-up of farm relief and farm management services
  - m Marketing of quality agricultural products
  - n Basic services for the rural economy and population
  - o Renovation and development of villages and protection and conservation of the rural heritage
  - p Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes
  - q Agricultural water resources management

- r Development and improvement of infrastructure connected with the development of agriculture
- s Encouragement for tourist and craft activities
- t Protection of the environment in connection with agriculture, forestry and landscape conservation as well as the improvement of animal welfare
- u Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments
- v Financial engineering

**Mixed table**

- T.7 Agricultural area under agri-environment contracts and Natura 2000: share UAA receiving agri-environmental or compensatory allowance payments

## T.0.1 Background information

Programme type: RDPmod  
Country: UK  
Region: ENG  
Reporting year: 2002  
programme id: UKENG

### Contact person:

name Brian Symes  
organisation Department for Environment, Food and Rural Affairs  
e-mail brian.symes@defra.gsi.gov.uk  
phone 00 44 20 7238 6276

Programme type: RDP  
Country: GB  
Region: ENG  
Reporting year: 2002  
programme id: GBENG

### Contact person:

name Brian Symes  
organisation Department for Environment, Food and Rural Affairs  
e-mail brian.symes@defra.gsi.gov.uk  
phone 00 44 20 7238 6276

## T.0.2 Programmed measures

	Tables	Status
a. Investment in agricultural holdings (Ch. I, art. 4-7).	a.1 & a.2	
b. Setting-up of young farmers (Ch. II, art. 8).	b.1 & b.2	
c. Training (Ch. III, art. 9).	c	
d. Early retirement (Ch. IV, art. 10-12).	d.1 & d.2	NP
e.1 Less-favoured areas (Ch. V, art. 13-21).	e.1	X
e.2 Areas with environmental restrictions (Ch. V, art. 16).	e.2	NP
f. Agri-environment (Ch. VI, art. 22-24).	f	X
g. Improving processing and marketing of agricultural products (Ch. VII, art. 25-28).	g.1 & g.2	
h. Afforestation of agricultural land and i. Other afforestation (Ch. VIII, art. 31, 30).	h	X
i. Other forestry measures (Ch. VIII, art. 30, 32).	l rest	
j. Land improvement and k. Reparcelling (Ch. IX, art. 33).	j & k	
l. Setting-up of farm relief and farm management services (Ch. IX, art. 33).	l & m	
m. Marketing of quality agricultural products (Ch. IX, art. 33).	l & m	
n. Basic services for the rural economy and population (Ch. IX, art. 33).	n & o	
o. Renovation and development of villages and protection and conservation of the rural heritage (Ch. IX, art. 33).	n & o	
p. Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative income (Ch. IX, art. 33).	p & q	
q. Agricultural water resources management (Ch. IX, art. 33).	p & q	
r. Development and improvement of infrastructure connected with the development of agriculture (Ch. IX, art. 33).	r & s	
s. Encouragement for tourist and craft activities (Ch. IX, art. 33).	r & s	
t. Protection of the environment in connection with agriculture, forestry and landscape conservation as well as the improvement of animal welfare (Ch. IX, art. 33).	t & u & v	
u. Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments (Ch. IX, art. 33).	t & u & v	
v. Financial engineering (Ch. IX, art. 33).	t & u & v	

## T.4 Forecasts table

Measure	Table	Information requested	2000	2001	2002	2003	2004	2005	2006
Investment in agricultural holdings (Ch. I, art. 4-7)	a.1	Number of applications approved							
		Total eligible cost ('000 EUR)							
Setting-up of young farmers (Ch. II, art. 8)	b.1	Amount of public expenditure committed ('000 EUR)							
		Total of which EAGGF							
Training (Ch. III, art. 9)	c	Number of applications approved							
		Total eligible cost ('000 EUR)							
Early retirement (Ch. IV, art. 10-12)	d.1	Amount of public expenditure committed ('000 EUR)							
		Total of which EAGGF							
Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21)	e.1	Number of new agreements							
		Number of hectares released ('000 ha)							
	e.2	Number of holdings supported							
		Number of hectares supported ('000 ha)							
Agri-environment (Ch. VI, art. 22-24)	f	Amount of public expenditure committed ('000 EUR)							
		Total of which EAGGF							
Improving processing and marketing of agricultural products (Ch. VII, art. 25-28)	g.1	Number of applications approved							
		Total eligible cost ('000 EUR)							
		Amount of public expenditure committed ('000 EUR)							
		Total of which EAGGF							

## T.4 Forecasts table – continued

Measure	Table	Information requested	2000	2001	2002	2003	2004	2005	2006
Afforestation of agricultural land (Ch. VIII, art. 31)	h & l.1	Number of applications approved area supported ('000 ha)				232	232	232	218
		Total eligible cost ('000 EUR)				2	2	2	2
		Amount of public expenditure committed ('000 EUR)	Total of which EAGGF			14698	14698	14698	14698
Other forestry (Ch. VIII, art. 30, indent 2-5)	i rest	Number of applications approved				7349	7349	7349	8515
		Total eligible cost ('000 EUR)	Total of which EAGGF			3675	3675	3675	4258
		Amount of public expenditure committed ('000 EUR)							
Other forestry (Ch. VIII, art. 32)	i rest	Number of applications approved area supported ('000 ha)							
		Total eligible cost ('000 EUR)	Total of which EAGGF						
		Amount of public expenditure committed ('000 EUR)							
Land improvement (Ch. IX, art. 33)	j & k	Number of applications approved							
		Total eligible cost ('000 EUR)	Total of which EAGGF						
		Amount of public expenditure committed ('000 EUR)							
Reparcelling (Ch. IX, art. 33)	j & k	Number of applications approved							
		Total eligible cost ('000 EUR)	Total of which EAGGF						
		Amount of public expenditure committed ('000 EUR)							
Setting up of farm relief and farm management services (Ch. IX, art. 33)	l & m	Number of applications approved							
		Total eligible cost ('000 EUR)	Total of which EAGGF						
		Amount of public expenditure committed ('000 EUR)							
Marketing of quality agricultural products (Ch. IX, art. 33)	l & m	Number of applications approved							
		Total eligible cost ('000 EUR)	Total of which EAGGF						
		Amount of public expenditure committed ('000 EUR)							

## T.4 Forecasts table – continued

Measure	Table	Information requested	2000	2001	2002	2003	2004	2005	2006
Basic services for the rural economy and population (Ch. IX, art. 33)	n & o	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR)							
Renovation and development of villages and protection and conservation of the rural heritage (Ch. IX, art. 33)	n & o	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR)							
Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes (Ch. IX, art. 33)	p & q	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR)							
Agricultural water resources management (Ch. IX, art. 33)	p & q	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR)							
Development and improvement of infrastructure connected with the development of agriculture (Ch. IX, art. 33)	r & s	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR)							
Encouragement for tourist and craft activities (Ch. IX, art. 33)	r & s	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR)							
Protection of the environment in connection with agriculture, forestry and landscape conservation, as well as the improvement of animal welfare (Ch. IX, art. 33)	t & u & v	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR)							
Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments (Ch. IX, art. 33)	t & u & v	Number of applications approved Total eligible cost ('000 EUR) Amount of public expenditure committed ('000 EUR)							

## T.4 Forecasts table – continued

Measure	Table	Information requested	2000	2001	2002	2003	2004	2005	2006
Financial engineering (Ch. IX, art. 33) t & u & v		Number of applications approved							
		Total eligible cost ('000 EUR)							
Total of all measures		Amount of public expenditure committed ('000 EUR)							
		Total of which EAGGF							
Total of all measures		Amount of public expenditure committed ('000 EUR)	0	0	0	138308	169003	192814	120291
		Total of which EAGGF	0	0	0	69154	84502	96408	60146



## T.5 Geographic breakdown of support

### T.5.1 According to Objective 1 areas, Objective 2 areas and areas outside Objectives 1 and 2

Measures (between brackets, reference articles of Reg. (CE) 1257/1999)

	Objective 1 area	Objective 2 area	Outside Objectives 1 and 2	TOTAL			
	a	b = a/g	c	d = c/g	e	f = e/g	g = a+c+e
		%		%		%	
<b>Total number of agricultural holdings</b>							
a. Investment in agricultural holdings (art. 4-7)	Number of applications approved Public expenditure committed ('000 EUR)						
b. Setting-up of young farmers (art.8)	Number of applications approved Public expenditure committed ('000 EUR)						
c. Training (art. 9)	Number of applications approved Public expenditure committed ('000 EUR)						
d. Early retirement (art. 10-12)	Number of agreements Public expenditure committed ('000 EUR)	0%		0%		0%	0
e.1 Less-favoured areas (art. 13-21)	Number of holdings supported Public expenditure committed ('000 EUR)	0%		0%		0%	0
e.2 Areas with environmental restrictions (art. 13-21)	Number of holdings supported Public expenditure committed ('000 EUR)	0%		0%		0%	0
f. Agri-environment (art. 22-24)	Number of contracts Public expenditure committed ('000 EUR)	619 3775	5% 4%	3326 29398	29% 31%	7360 60364	11305 93537
g. Improving processing and marketing of agricultural products (art. 25-28)	Number of applications approved Public expenditure committed ('000 EUR)						
h. Afforestation of agricultural land (art. 31) (planting costs)	Number of applications approved Public expenditure committed ('000 EUR)	0	0%	0	0%	6	6
i. Other forestry measures (art. 30, 32)	Number of applications approved Public expenditure committed ('000 EUR)	0	0%	0	0%	93	93
j. to v. Promoting the adaptation and development of rural areas (art.33)	Number of applications approved Public expenditure committed ('000 EUR)						
<b>Total of public expenditure committed</b>		<b>3775</b>	<b>4%</b>	<b>29398</b>	<b>31%</b>	<b>60457</b>	<b>93630</b>

## T.5 Geographic breakdown of support

### T.5.2 According to the areas defined by Articles 16 to 20 of the Reg. (CE) n°1257/1999

Measures	Less-favoured areas										TOTAL
	Normal area		Mountain areas		Other less-favoured areas		Areas affected by specific handicaps		Total for LFA		
	a	% b=a/k	c	% d=c/k	e	% f=e/k	g	% h=g/k	i	% j=i/k	k=a+i
<b>Total number of agricultural holdings</b>											
a. Investment in agricultural holdings (art. 4-7)	Number of applications approved										
	Public expenditure committed ('000 EUR)										
b. Setting-up of young farmers (art.8)	Number of applications approved										
	Public expenditure committed ('000 EUR)										
c. Training (art. 9)	Number of applications approved										
	Public expenditure committed ('000 EUR)										
d. Early retirement (art. 10-12)	Number of agreements	0%		0%				0%		0%	0
	Public expenditure committed ('000 EUR)	0%		0%				0%		0%	0
e.1 Less-favoured areas (art. 13-21)	Number of holdings supported			0%				0%		0%	0
	Public expenditure committed ('000 EUR)			0%				0%		0%	0
e.2 Areas with environmental restrictions (art. 13-21)	Number of holdings supported	0%		0%				0%		0%	0
	Public expenditure committed ('000 EUR)	0%		0%				0%		0%	0
f. Agri-environment (art. 22-24)	Number of contracts	8841	78%		0%	2464		0%	2464	22%	11305
	Public expenditure committed ('000 EUR)	72377	77%		0%	21160		0%	21160	23%	93537
g. Improving processing and marketing of agricultural products (art. 25-28)	Number of applications approved										
	Public expenditure committed ('000 EUR)										
h. Afforestation of agricultural land (art. 31) (planting costs)	Number of applications approved	6	100%		0%			0%		0%	6
	Public expenditure committed ('000 EUR)	93	100%		0%			0%		0%	93
i. Other forestry measures (art. 30, 32)	Number of applications approved										
	Public expenditure committed ('000 EUR)										
j. to v. Promoting the adaptation and development of rural areas (art.33)	Number of applications approved										
	Public expenditure committed ('000 EUR)										
<b>Total of public expenditure committed</b>		72470	77%	0	0%	21160	23%	0	21160	23%	93630



## T.6 Financial monitoring – continued

Measure	Total costs borne by the beneficiaries ('000 EUR)			Total eligible cost ('000 EUR)			Amount of public expenditure committed ('000 EUR)							
	Obj. 1	Obj.2	Total	Obj.1	Obj.2	Total	Obj. 1	Obj.2	Total					
		Outs. Obj. 1 & 2		Outs. Obj. 1 & 2	Outs. Obj. 1 & 2		Outs. Obj. 1 & 2	Outs. Obj. 1 & 2	Outs. Obj. 1 & 2					
									Of which EAGGF					
p. Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes (Article 33)														
q. Agricultural water resources management (Article 33)														
r. Development and improvement of infrastructure connected with the development of agriculture (Article. 33)														
s. Encouragement for tourist and craft activities (Article 33)														
t. Protection of the environment in connection with agriculture, forestry and landscape conservation, as well as the improvement of animal welfare (Article. 33)														
u. Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments (Article. 33)														
v. Financial engineering (Article. 33)														
<b>TOTAL</b>	0	0	93	0	186	186	3775	29398	60457	93630	2375	14710	30243	47328
<b>Forecast (total)</b>														

## d. Early retirement (Ch. IV, art. 10-12)

### d.1 Beneficiary type

Beneficiary of support	Number of agreements	of which new applications	reassigned to agricultural uses	Number of ha released		Average amount of support (EUR)	Amount of public expenditure committed ('000 EUR)
				of which new	of which new		
Farmers					0	0	0
Farm workers						0	
<b>TOTAL</b>	0	0					0
<i>Forecast</i>							

## d. Early retirement (Ch. IV, art. 10-12)

### d.2 New applications by age category

Beneficiary of support	Number of new applications approved		TOTAL
	55 ≤... ≤ 60 years old	60 <... ≤ 65 years old > 65 years old	
Farmers			0
Farm workers			0
<b>TOTAL</b>	0	0	0

e. Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21)

**e.1 Less Favoured Areas (holdings receiving compensatory allowances by pre-dominant LFA type )**

Area type	Number of holdings supported	Number of hectares receiving compensatory allowances ('000 ha)	Average amount of payments (EUR) per holding	Average amount of payments (EUR) per ha	Amount of public expenditure committed ('000 EUR)	
					Total	of which EAGGF
Mountain areas			0	0		
Other less-favoured areas			0	0		
Areas affected by specific handicaps			0	0		
<b>Total</b>	0	0	0	0	0	0
of which Natura 2000 areas			0	0		
<b>Forecast (total)</b>						

e. Less-favoured areas and areas with environmental restrictions (Ch. V, art. 13-21)

**e.2 Areas with environmental restrictions (holdings receiving art. 16 payments)**

Area type	Number of holdings supported	Number of hectares receiving art. 16 payments ('000 ha)	Average amount of payments (EUR) per holding	Average amount of payments (EUR) per ha	Amount of public expenditure committed ('000 EUR)	
					Total	of which EAGGF
LFA Mountain areas			0	0		
Other less-favoured areas			0	0		
Areas affected by specific handicaps			0	0		
non LFA			0	0		
<b>TOTAL</b>	0	0	0	0	0	0
of which Natura 2000 areas			0	0		
<b>Forecast (total)</b>						

## f. Agri-environment (Ch. VI, art. 22-24)

Action		Number of contracts		of which new contracts		Number of hectares		Average premium per ha	Amount of public expenditure committed ('000 EUR)	
		contracts	of which new contracts	under contract	of which new	Total	of which EAGGF			
organic farming	annual crops	512	126	33703	7191	85	2849	1442		
	specialised perennial crops	33	11	257	76	81	21	11		
	other	527	135	45063	12284	37	1679	860		
	<b>Total</b>	<b>1072</b>	<b>272</b>	<b>79023</b>	<b>19551</b>	<b>58</b>	<b>4549</b>	<b>2312</b>		
other input reduction	annual crops					0				
	specialised perennial crops					0				
	other					0				
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			
crop rotation	annual crops					0				
	other					0				
landscape/nature (conservation, restoration, creation)	annual crops	462	423	6488	5247	851	5520	2787		
	specialised perennial crops	6528	2849	216377	104866	283	61249	30814		
	other	3243	1354	273323	55983	81	22219	11369		
	<b>Total</b>	<b>10233</b>	<b>4626</b>	<b>496188</b>	<b>166096</b>	<b>179</b>	<b>88988</b>	<b>44969</b>		
plant varieties under threat of genetic erosion	annual crops					0				
	specialised perennial crops					0				
	other					0				
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			
other actions	annual crops					0				
	specialised perennial crops					0				
	other					0				
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>TOTAL</b>		<b>11305</b>	<b>4898</b>	<b>575211</b>	<b>185647</b>	<b>163</b>	<b>93537</b>	<b>47281</b>		
<b>Forecast</b>					<b>154104</b>					

f. Agri-environment (Ch. VI, art. 22-24) – continued

	Number of contracts	of which new contracts	Number of livestock units		Average premium per ha	Amount of public expenditure committed ('000 EUR)	
			under contract	of which new		Total	of which EAGGF
Breeds in danger of being lost to farming							
cattle					0		
sheep					0		
goats					0		
equidae					0		
pigs					0		
avian					0		
mixed					0		
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL agri-environment</b>	<b>11353</b>	<b>4898</b>				<b>93648</b>	<b>47337</b>
<b>Forecast (total)</b>							





## Comments

Exchange rate used = 1€ : £0.63

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